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Nigeria's Economic Recession Exit: A Multi-Dimensional Approach

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Abstract: *Nigeria, one of the emerging economies in the world, had her GDP rebased in 2013, making her the largest economy in Africa. As this new ranking was being celebrated, Nigeria slipped into recession. This paper, entitled, 'Nigeria's Economic Recession Exit: a Multi –Dimensional Approach' aims at unraveling the mysteries behind Nigeria's plunge into economic recession and government's intervention that quickly resulted in the recession exit. Being an exploratory research, the paper relies so much on authentic secondary data. The paper blames the economic recession on gross neglect of agriculture, over dependence on crude oil, poor coordination of fiscal and monetary policies, poor economic planning, corruption and mismanagement of borrowed funds. Acknowledging government's efforts in exiting recession, the paper recommends that the economy be diversified by further reengineering other strategic sectors of the economy, like agriculture, mining, communication, manufacturing, among others, which have shown great improvements in the recent assessment. Fighting corruption with all sincerity, developing and implementing workable economic policies, fighting insurgency and coordinating fiscal and monetary policies, among others, are various approaches to reviving Nigeria's economy, which is still recuperating. Undoubtedly, Nigeria has exited recession, but the impact of this exit on the citizens is not generally felt now as factors that culminated into this crisis took some ages to take place. The paper, therefore, concludes by enjoining the government, as well as all stakeholders, both within and in the diaspora to work collaboratively to ensure that a robust and viable Nigerian economy is built.*

Keywords: *Gross Domestic Product, Recession, Fiscal and Monetary policies*

INTRODUCTION

Gross Domestic Product (GDP) measures the monetary value of final goods and services—that is, those that are bought by the final user—produced in a country in a given period of time (say a quarter or a year). It counts all of the output generated within the borders of a country. GDP is composed of goods and services produced for sale in the market and also include some nonmarket production, such as defense or education services provided by the government (Callen, 2016). In economics, a recession is a business cycle contraction which results in a general slowdown in economic activity. Macroeconomic indicators such as GDP, investment spending, capacity utilization, household income, business profits, and inflation fall, while bankruptcies and unemployment rate rise. In the United Kingdom, it is defined as a negative economic growth for two consecutive quarters (Wikipedia). This popular belief that a country is said to be in recession when it experiences negative Gross Domestic Product (GDP) for two consecutive quarters appears simplified and narrow, hence, the National Bureau of Economic Research defines recession as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales (NBER, 2003)". This later definition is holistic and stands appropriate in our context.

In 2012, Nigeria had a population of 166 million (approximately) and a population growth rate of 2.8 per annum (National Bureau of Statistics, 2012). By extrapolation, the current populations is estimated to have increased to about 195,136,787. On the other hand, the Gross Domestic Product Rate of Nigeria increased for some years and later dwindled. The GDP rates for 2011, 2012, 2013, 2014, 2015 and 2016 were 5.31%, 4.21%, 5.49%, 6.22%, 2.79% and -1.58%, respectively (NBS,2017).

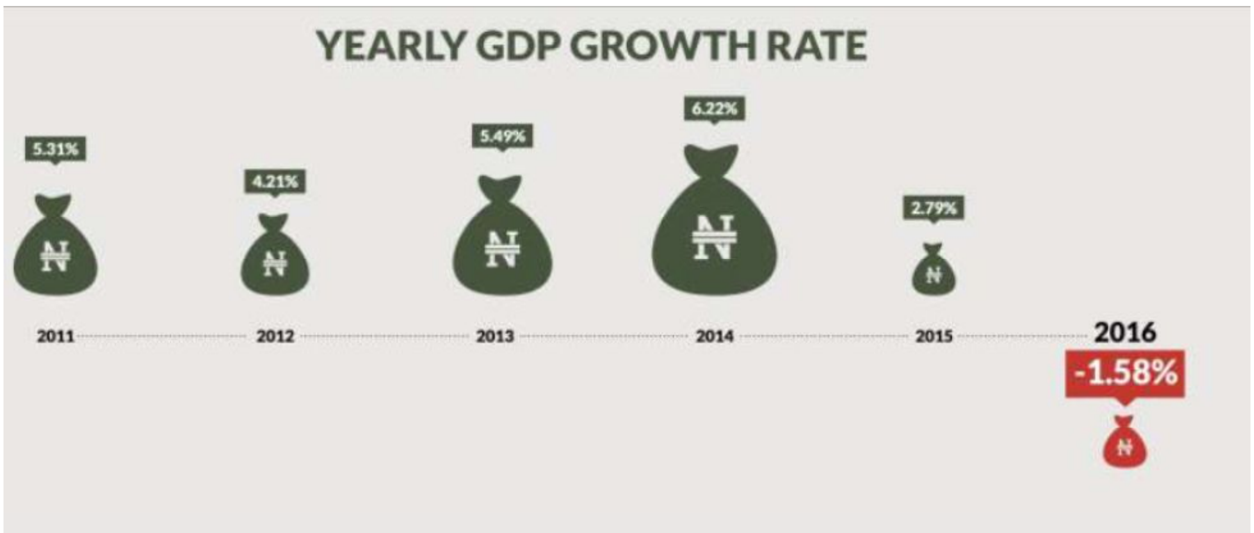

Figure 1: Yearly GDP Growth Rate

Source: National Bureau of Statistics (2017).

Between 2013 and 2014, there was an outstanding increase in the GDP rate and a contraction between 2015 and 2016. The upward movement observed in 2013 was very significant as that was the year Nigeria's GDP was rebased from about USD 270 billion to USD 510 billion for 2013. The increase of about 90% was attributed to new sectors of the economy such as telecommunications, movies, and retail which were previously not captured or underreported. "Rebasing the GDP provides more accurate data on the economy to enable policy-makers to make informed decisions and policy choices to tackle social problems like poverty and unemployment. Nigeria's rebased GDP is expected to be a more accurate reflection of the structure and size of current economic activities in the country, presenting a clearer sectoral distribution and performance (Okonjo-Iweala, 2014)."

As a result of the rebasing, Nigeria became the largest country in Africa and 26 largest in the world. Nigerians basked in that euphoria in 2013 and 2014, but little did they know that they were slipping into recession. In 2015, the signs of recession were there, but the figures were still not negative, going by the common definition of recession, which in some cases are misleading. After the first and second quarters of 2016, Nigeria was officially declared as being in recession, as the GDP for the two consecutive quarters were negative. The negative GDP did not ease out, as it lingered till the first quarter of 2017 as shown in the graph below.

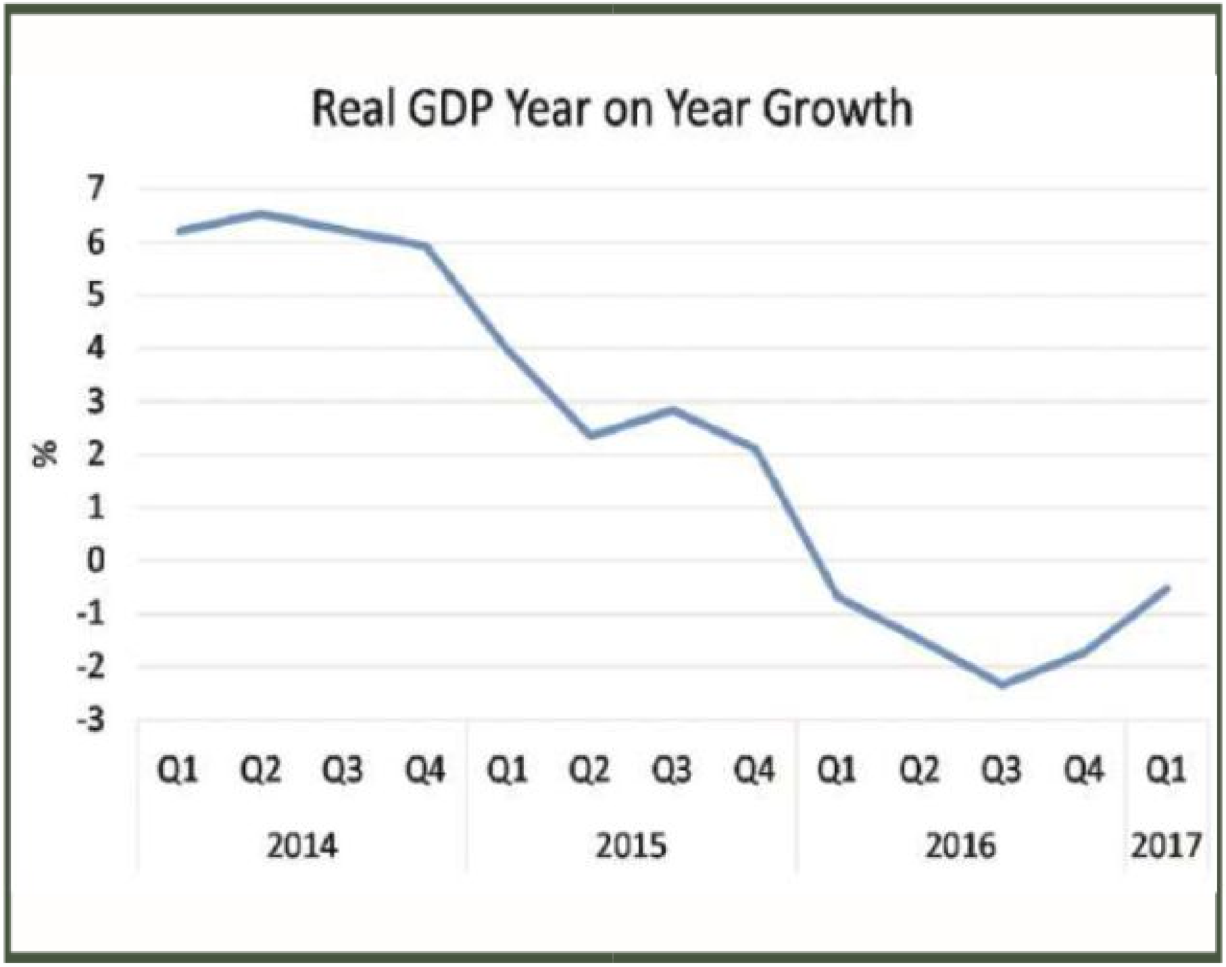

FIGURE 2: Real GDP Growth

SOURCE: National Bureau of Statistics, 2017.

How did Nigeria Get into Recession?

Nigeria did not just get into recession – many factors culminated into it and they include the following:

- **Long Term Neglect of the Agricultural Sector**

The agricultural sector is made up of these four sub-activities: crop production, livestock, forestry and fishing. Of these, crop production remains the major driver, accounting for about 92% of the Nominal growth of the sector (NBS, 2017).

Surprisingly, this sector was neglected for decades owing to over reliance on the oil sector. Originally, Nigeria was an agrarian nation, which relied so much on agriculture to drive her economy. Her food supplies were locally produced and also exported to various parts of the world. The sector, then, employed about 70% of the country's labour force and provided about 14% of non-oil earnings. Its recent record for job creation is poor. The NBS data series shows that it contributed just 11% of the total number of formal jobs created in Q3 2015. As far back as the 1960s, the contribution of agriculture to GDP was as high as 64%, but fell to 20% in the late 1970s. Thereafter, the ratio picked up and rose steadily to reach 40% in the early 2000s but settled at 23% in 2015. Growth-wise, the sector slowed to 3.7% y/y in 2015 from 4.3% the previous year. In 2016, the sector grew by 3.1% y/y Q1 2016 and 4.5% y/y in Q2 2016 (FBNQuest, 2016).

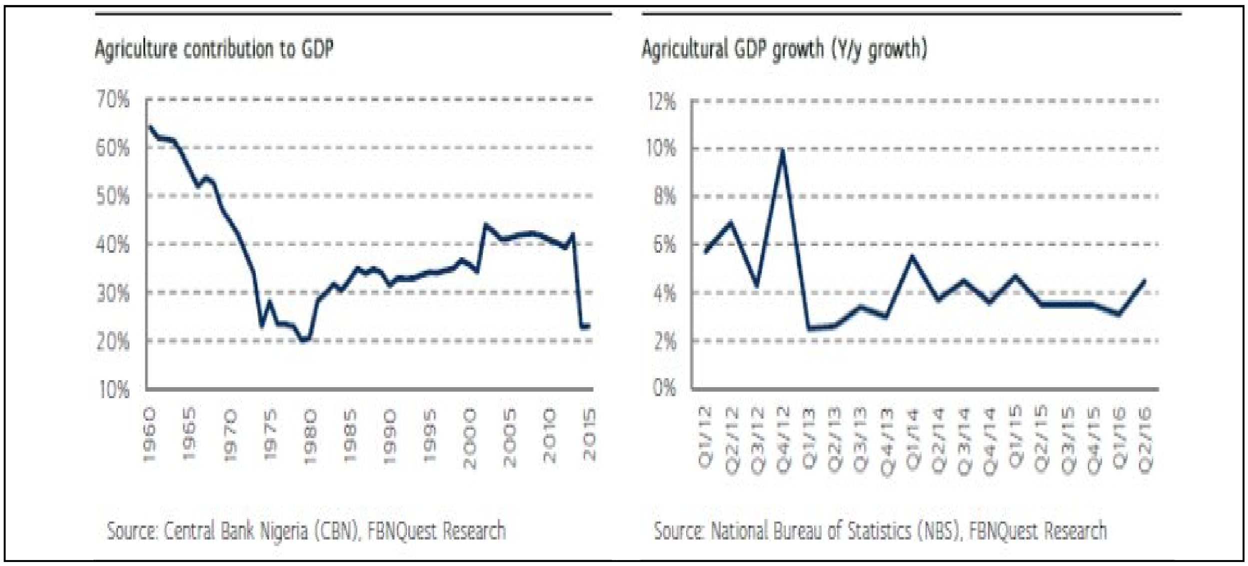

Figure 3: Contribution of Agriculture to GDP

Source: FBNQuest (2016)

The first graph above clearly shows a decline in the contribution of agriculture to Nigeria's GDP from 1960 to 2015 with little step up in some years. The second graph shows a decline from the first quarter of 2013 till the first quarter of 2016 with little step up in the first quarter of 2014. It is an acclaimed fact that the dwindling agricultural contribution to the economy is as a result of its neglect, driven by the over-dependence on the oil sector, which crashed in 2015. Other factors that are contributory include: insecurity in the country that has discouraged foreign direct investment, government's political approach to agricultural matters, infrastructural decay, among others. Ironically, the crash in world oil prices spurred Nigerian government to look inwards and ultimately diversify her economy which is under threat. That explains the upward movement seen between the first and second quarters of 2016. In the first quarter of 2017, according to NBS (2017), the sector contributed 21.35% to the overall GDP in real terms.

Nigeria was the largest exporter of palm oil and palm kernel until 1934 when the country was surpassed by Malaysia. Africa led the world in production and export of palm oil throughout the first half of the 20th century, led by Nigeria and Zaire. By 1966, however, Malaysia and Indonesia had surpassed

Africa's total palm oil production. According to *Oil Palm Review*, published by the Tropical Development and Research Institute in the United Kingdom, over 3 million tonnes of palm oil was produced by Malaysia alone in 1983, compared with a total of about 1.3 million tonnes of African production (Walker, 2010).

Cocoa was also one of the leading foreign exchange earners, but due to urbanization, the production shrank. As production of cash crops was going down, importation was increasing and price indexes were on the high side - compounding the nation's problems.

- **Over dependence on Crude Oil**

Since the discovery of oil in 1956 and the oil boom in the 70s, oil has been the mainstay of Nigerian economy. Oil accounts for more than 90 per cent of the country's exports, 25 per cent of the GDP, and 80 per cent of government total revenue. Past Nigerian leaders focused on oil, neglecting other sectors of the economy capable of guaranteeing all round sustenance, till world oil price started falling from around $114 a barrel to below $50 in 2015, dipping further below $35 a barrel. In 2016, the benchmark was $38 per barrel, like in the previous year, this price fell contrary to expectation, plunging the nation into economic crisis.

That oil prices slumped was not the major problem, but the inability of the nation to put their four refineries in good condition so as to produce the needed refined oil capable of sustaining the local economy. The import of this is that crude oil is exported and sold below benchmark while refined products are imported at outrageously high prices, causing the government to release subsidies (often colonized by the cabals) to make it possible for an average Nigerian to buy at cut throat official pump prices.

Pipeline vandalization is another challenging factor. The country has lost several millions to pipeline vandals despite the untiring efforts of the government in this area.

- **Lack of Co-ordination of Fiscal and Monetary Policies**

According to Gbanador (2007), fiscal policy is a deliberate action undertaken by the government to achieve its economic objectives using the fiscal instruments of taxation, government spending and the budget deficit. Corroborating, Tom-Ekine (2013) opined that fiscal policy is concerned with the action of the government to spend money or to collect money in taxes, with the purpose of influencing the national economy. Fiscal policy is undoubtedly one of the most important tools used by government to achieve macroeconomic stability of the economy of most developing countries (Ihendinihu, Jones & Ibanichuka, 2014). The empirical study conducted by Osuala & Jone (2014) on the "Impact of Fiscal Policy on Economic Growth of Nigeria" revealed that there is a long run equilibrium relationship between fiscal policy and economic growth in Nigeria." Therefore, if the fiscal policies are faulty, economic growth will be retarded.

On the other hand, monetary policy is the use of certain instruments to regulate the supply of money in the economy. In determining the monetary policy of the country, the CBN manipulates the money supply to affect the macro economy. When there is an increase in money supply into the economy, the monetary policy is said to be expansionary. This encourages investment and subsequently increases consumption demand. In the long run, however, an expansionary policy can lead to higher prices and inflation. Contractionary monetary policy is a form of economic policy used to fight inflation which involves decreasing the money supply in order to increase the cost of borrowing which in turn decreases GDP and dampens inflation.

While the government is in charge of fiscal policy manipulation, the CBN is in charge of monetary policy. The CBN Governor after reviewing the nation's monetary policies left the Monetary Policy Rate at 14 per cent, Cash Reserve Ratio at 22.5 per cent and Liquidity Ratio at 30 per cent, blaming the nation's economic recession on the fiscal policies of the federal government (Jude, 2016). CBN had joggled their monetary policies to ensure recession exit. There were cases of the CBN coming up with unrealistic foreign exchange policies, which further worsened the recession. For instance, there was a ban on the deposit of dollars into domiciliary accounts in the country. This seriously affected parents who had their children in schools abroad. That policy was amended later. Similarly, the previous requirement that banks allocate 60% of dollar sales to manufacturers was cancelled as importers cashed into that opportunity. Under the new arrangements, the Central Bank of Nigeria (CBN) sells dollars to deposit banks who resell to buyers for those specific purposes at rates not more than 20% beyond the then official rate of NGN305 per dollar. This last scenario also created loopholes for the few rich and privileged Nigerians to buy dollars at the approved rate and sell at skyrocketed prices at black markets.

These uncoordinated activities seriously reduced the value of naira and heightened inflation in the country.

- **Poor Economic Planning**

President Muhammadu Buhari came up with the Economic Recovery and Growth Plan (ERGP) for 2017 – 2020, which was designed to restore economic growth while leveraging the ingenuity and resilience of the Nigerian people. Unfortunately, this plan was not fully implemented given that poor economic planning and implementation is one of the major causes of Nigeria's recession. The preparation, approval and implementation of our national budget is one of the areas where poor economic planning is evidenced. The national budget, which is a powerful fiscal policy tool has recently been ridiculed in Nigeria. In 2016, the budget had series of issues ranging from its disappearance at the federal house to its alleged padding. In 2017, the deficit budget which was designed to bring Nigeria out of recession (Udoma, 2017) was signed in the sixth month of the year, making it impossible for planned economic activities to go on in the country. The 2018 budget, which was presented to the house in 2017 is not yet approved, even after the first quarter of 2018.

Population planning is another major area, which has not been given the attention it deserves. The last census was conducted in 2006 (more than a decade ago) and most economic policies have been formulated based on extrapolation of the population figures, thus making these policies inadequate in most cases.

- **Protectionism Approach to Foreign Trade without Supportive Actions**

Protectionism is an economic policy of restraining trade between nations, through methods such as tariffs on imported goods, restrictive quotas, and a variety of other restrictive government regulations designed to discourage imports, and prevent foreign take-over of local markets and companies. This policy is closely aligned with anti-globalization. This term is mostly used in the context of economics. Protectionism refers to policies or doctrines which "protect" businesses and "living wages" within a country by restricting or regulating trade between foreign nations. It good to trade with other nations, but when this is done to the detriment of indigenous industries, it becomes pertinent that local industries are shielded from foreign intrusion. Protectionism is used to fight such intrusion. Nevertheless, when this measure is adopted without corresponding measures to boost local capacity, consumers fall into the hands of smugglers who strive through crooked means to make these imports available. That was Nigerians' experience when there was a move by the federal government to ban foreign rice by 2018. A bag of rice then soared to twenty five thousand naira per bag.

Adam Smith famously warned against the 'interestled sophistry' of industry, seeking to gain advantage at the cost of the consumers. Virtually all modern day economists agree that protectionism is harmful in that its costs outweigh the benefits, and that it impedes economic growth (Bagwell and Staigar, 1997).

In January, 2017, Nigeria banned the importation of twenty five new items into the country. Some of these items have no local substitutes. Others that have local substitutes are either of inferior quality or in short supply. The ban and increase in tariff of some imported items encouraged smuggling and undue inflation in the prices of these goods – a situation that further aggravated the hardship in the country.

It is true that protectionism protects local industries, it can only be encouraged where the nation has built its industrial sector and provided the infrastructure that gives impetus to large scale quality production that can sustain local demand.

- **Corruption**

Corruption has been identified as the sole reason for the country's current economic slump. The country has recovered so much money within these three years of fight against corruption. Corruption widens the gap between the poor and the rich. While an average Nigerian is striving to grapple with the stark reality of recession, an average politician is showcasing his wealth with impunity. Mr. Ibrahim Magu, the EFCC boss, confirmed that corruption has taken a central place in the present economic woes. In his words, "about 90 per cent of the cause of recession is corruption, because there was fund and people stole the funds and kept them where they cannot be reached" (Magu, 2017).

- **Debt Servicing**

Nigeria borrows from internal and external sources and in most cases mismanages the borrowed funds. The nation's public debt was #17.36 trillion at the end of 2016, but this increased by 25 per cent to #21.7 trillion at the end of December, 2017. A breakdown of this figure shows that the domestic debt for the federal government stood at #12.589 trillion, while domestic debt of States and the FCT was #3.348 trillion. The external debt of the federal government, States and the FCT was #5.787 trillion (Odey, 2018).

Nigeria spends so much to service this debt. Between January and September 2016, the federal government spent N1.094.22trillion on debt servicing. This amount was used for local debt servicing as against the N980.55billion budgeted in the 2016 spending plan, representing N63.45 billion increase. N50.22billion was spent for external debt servicing indicating some N9.36 billion increase from the N40.86 budgeted (Zainab, 2017).

GOVERNMENT'S INTERVENTION IN EXITING RECESSION

- **Constant Positive Review of Foreign Exchange Policy**

The CBN constantly reviewed its foreign exchange policies to strengthen and stabilize the Nigerian naira. According to Onuba (2017). the CBN did the following to achieve the desired result that helped Nigeria to exit recession:

1. reviewed its foreign exchange rate policy in February, 2017 in order to increase the availability of foreign exchange in the economy;
2. increased the supply of direct additional funding to banks to meet foreign exchange (forex) demand of specified end users at settlement rates not exceeding 20% above the interbank market rate;
3. increased forex supply in the following areas: Travel Allowances (personal travel allowances and business travel allowances); School and Medical Fees;
4. it reduced its tenor of Forward Sales (from a maximum cycle of 180 days to no more than 60 days from the date of transaction);
5. directed all banks to open forex retail outlets at major airports as soon as logistics permit);
6. ensured the prompt clearing of all the unfilled orders in the interbank forex market;
7. ensured the implementation of an effective intervention programme to support the inter-bank market and ensure adequate liquidity necessary to deliver an efficient FX market;
8. ensured that the FMDQ were regularly advised to promptly activate its forex order-book systems and also accelerate the on-boarding of forex clients on the forex relationship systems to ensure total transparency of the FX market;
9. declared intervention measures to supply foreign exchange to SMEs for importation of eligible goods not exceeding USD20,000 per customer per quarter;
10. created a special window, the Investors & Exporters Foreign Exchange Window (I&E FXW) to further boost foreign exchange liquidity and to ensure timely execution and settlement for eligible invisible transactions, such as loan repayments, loan interest payments, dividend/income remittances, capital repatriation, management services fees, consultancy fees, etc. The eligible participants include portfolio investors, exporters, authorized dealers, other parties with foreign exchange to exchange to Naira, and the CBN for promoting liquidity and professional market conduct.

- **Ban on Some Imported Goods and Promotion of Made in Nigeria Goods**

Nigeria had earlier banned the importation of certain goods, but importers still had their way, but the moment it was obvious that Nigeria was in recession, Nigerian government had to reinforce this existing ban to encourage local production of most goods and ultimately increase the Gross Domestic Product. The ban which was placed on forty one (41) items in 2015 makes it illegible for importers of these goods to access foreign exchange through Nigerian Foreign Exchange Market (CBN,2015). According to the same source, these items include: rice; cement; magarine; palm kernel/palm oil products/ vegetable oils; meat and processed meat products; vegetables and processed vegetable products; poultry – chicken, eggs, turkey; private airplanes/jets; Indian incense; tinned fish in sauce (Geisha)/Sardines; cold rolled steel sheets; galvanized street sheets;

roofing sheets, wheel barrows; head pans; metal boxes and containers; enamel wares; steel drums; steel pipes; wire roads; iron rods; wire mesh; steel nails; security and razor wire; wood particles boards and panels; plywood boards and panels; wooden doors; furniture; toothpick; glass and glasswares; kitchen utensils; tableware; tiles; textiles; woven fabrics; clothes; plastic and rubber products; soap and cosmetics; tomatoes/tomato pastes and Euro bond/Foreign currency bond/ share purchases. Nigerians were encouraged to go into the local production of most of these products. Various agencies plunged into action to apprehend defaulters in this area and to see that this dream of promoting locally produced goods yielded expected results.

- **Reinforcement of the implementation of Treasury Single Account (TSA)**

TSA, according to Wikipedia is a financial policy that consolidates all inflows from all agencies of government into a single account at the Central Bank of Nigeria. This policy was formulated in 2012 under the administration of Goodluck Jonathan and was fully implemented by the current administration of Muhammadu Buhari. The policy makes it compulsory for all revenues accruable to the federal government of Nigeria to be paid into the treasury single account and maintained by the Central Bank. This eliminates the use of multiple accounts by the country's MDAs. The implementation of TSA, according to Odunsi (2017) has saved additional four (4) billion naira monthly, which could have been held by banks if the TSA were not in place. The full implementation of TSA has resulted in fiscal discipline in the management of public resources. Udo (2016) posits that the implementation of TSA in Nigeria:

1. checks incidence of multiple accounts operated by government MDAs for collection and spending of government revenues;
2. ensures adequate monitoring of government revenue receipts and expenditures and blocks leakages, as no MDA is allowed to keep any operational bank account;
3. checks incidence of idle cash lying over extended periods in bank accounts held by government;
4. makes possible direct electronic payment into TSA and deposits into beneficiary's account (MDAs);
5. allows government relevant stakeholders, such as the Ministry of Finance and Accountant General of the Federation to have full oversight of all cash flows across different bank accounts.

- **Diversification of Nigerian Economy**

  Before Nigeria plunged into recession, the emphasis was on crude oil, but with the crash in crude oil prices and its attendant decline in GDP, the government had no option than to diversify its economy. The government powerfully invested in many areas in the non oil sector and today, those areas are yielding positive results. Some of these areas include: mining and quarrying, manufacturing, information and telecommunication, transportation, food and accommodation services, among others. The non oil sector improved remarkably and this can be seen in the recent report released by NBS.

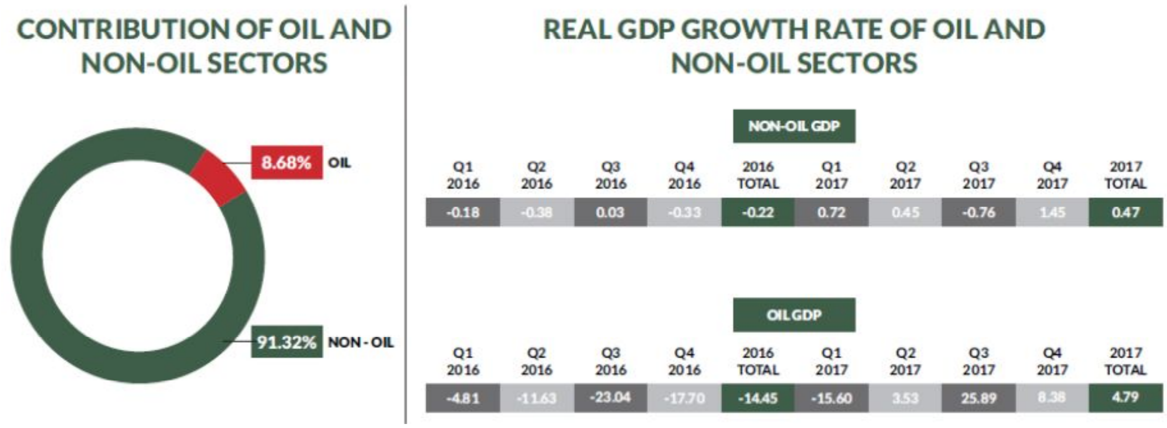

Figure 4. Contribution of Oil and Non-Oil Sectors to Nigeria's GDP in 2017

Source: National Bureau of Statistics, 2018.

From figure 4 above, it is glaring that the oil sector made a meager contribution of 8.68% year-on-year to the GDP in 2017, while the non-oil sector made an amazing contribution of 91.32%. Recall that the GDP of Nigeria increased for two consecutive quarters in 2017, making it possible for Nigeria to exit recession and this is attributed to the progress seen in the non oil sector.

The chart below shows the consistent growth in the GDP of Nigeria in Q3 and Q4, 2017 as well as Q1, 2018.

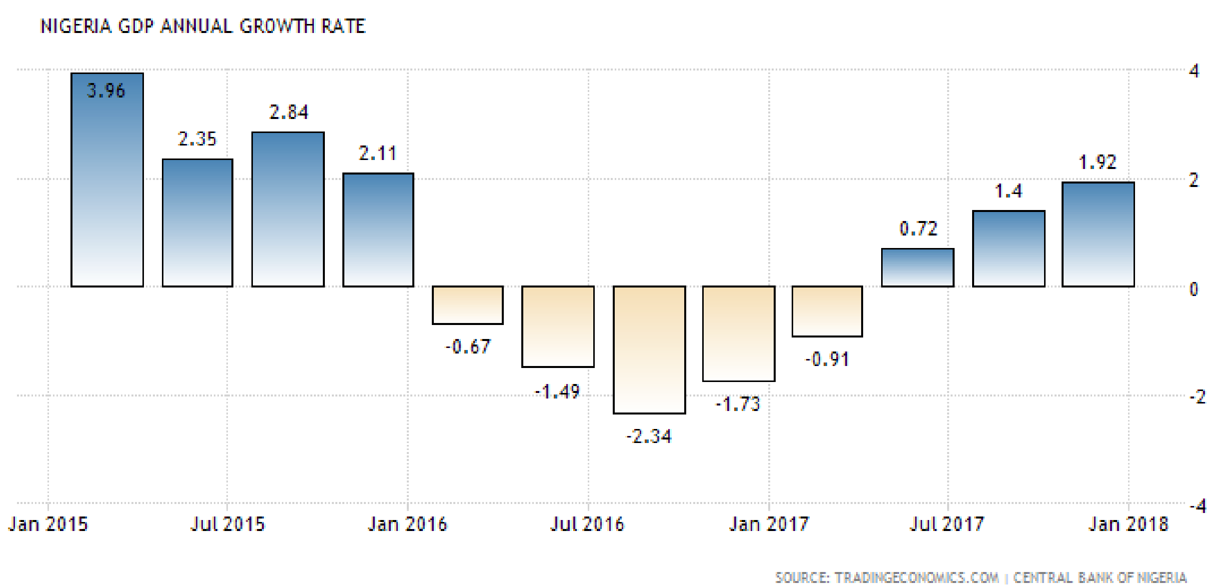

figure 5. Nigeria's GDP Annual Growth Rate

Source: National Bureau of Statistics, 2018.

From figure 5 above, Nigeria experienced negative GDP from the first quarter of 2016 till the first quarter of 2017, but as from the second quarter of 2017, there was a positive growth of 0.72, which increased to 1.4 in the third quarter and finally 1.92 in the last quarter of 2017.

Surprisingly, the increase in the GDP observed in the second, third and fourth quarters of 2017 as seen in figure 5 was not from the oil sector, but the non oil sector. One of the non oil areas where Nigeria experienced growth was mining and quarrying.

Mining and quarring grew by 7.96% in Q4 2017 from 25.44% in Q3 2017 and -17.26% in Q4 2016 (NBS, 2018). This is shown in the chart below.

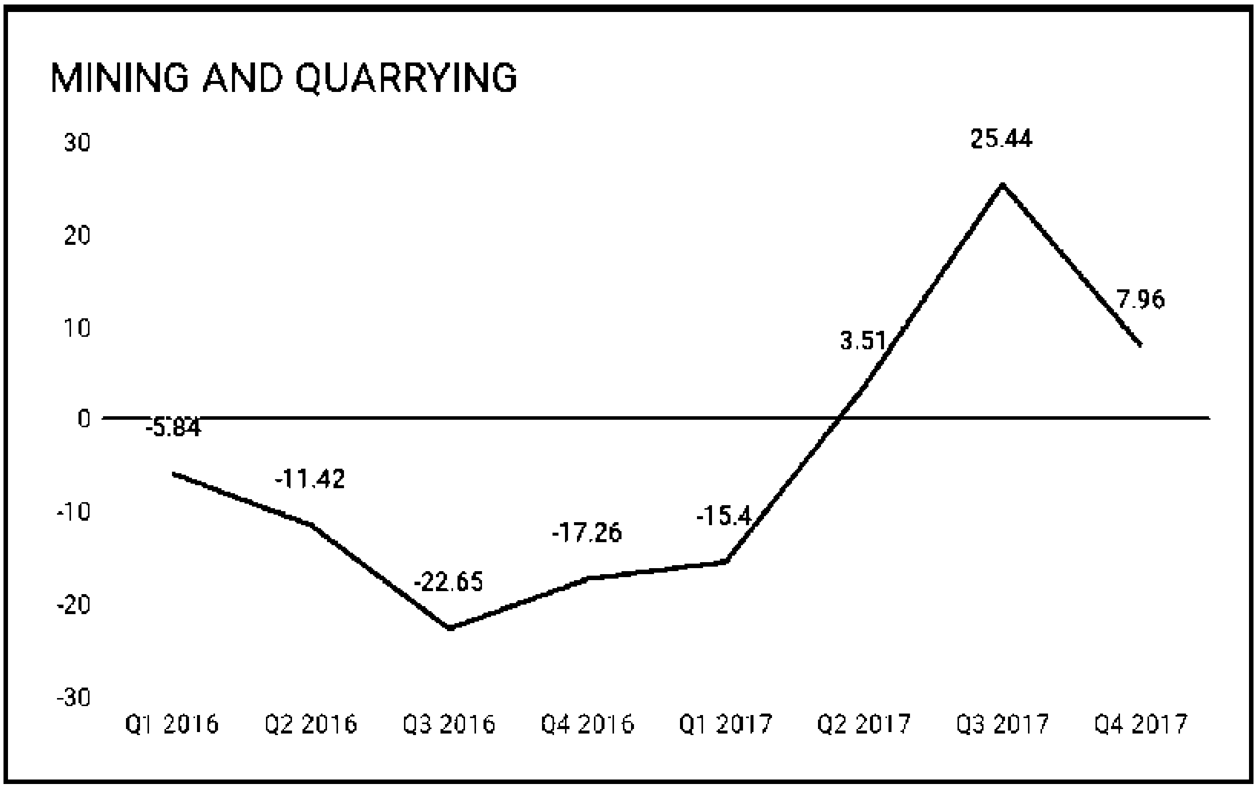

Figure 6: Mining and Quarrying: Q1 2016 – Q4 2017

NBS (2018)

From the chart above, it is glaring that this sector had a negative growth all through 2016, but growth started tilting up in the second quarter of 2017. In the last quarter of 2017, there was a sudden downward slide to 7.96.

The Nigeria's mining sector is split into three sub sectors: upstream (exploration and mining); midstream (processing and beneficiation) and the downstream (marketing and transportation). According to Nigerian Mining Sector Brief (2017), only the upstream and downstream subsectors are currently active. According to the document, the government plans to implement some initiatives to enliven the midstream subsector. To demonstrate government's commitment to the diversification plan, the Ministry of Mines and Steel Development (MMSD) issued a revised sector growth and development roadmap, with the objective of addressing the key challenges identified in the sector and outlining strategies for rapid development and utilization of key minerals and metals.

CONCLUSION

Nigeria slipped into recession in 2016 after the world oil prices crashed. From the first quarter of 2016 to the first quarter of 2017, there was a decline in economic activities resulting in negative GDP within this period. The government swung into action to ensure that the economy was revamped. Actions taken include: the diversification of the economy with emphasis on agriculture and mining and quarrying; constant review of both fiscal and monetary policies; reinforcement of the implementation of the TSA; encouraging the manufacturing industry to sustain the reactivated ban on some imported goods. These efforts, no doubt, resulted in the nation's exit from recession, though NBS affirms Nigeria's exit from recession, Nigerians are still in doubt of the acclaimed exit, as current trend (hike in prices of commodities, two digits inflation rate, high unenemployment rate, etc.) in the economy do not lend credence to that. It is highly imperative to note that what brought Nigeria into this economic crisis took several decades to accumulate and should naturally take some time to ease out if proactive measures are taken. Therefore, Nigerians and indeed the whole world should be optimistic and patient, even as they work collaboratively to ensure that Nigerian economy is built and placed on the right pedestal.

RECOMMENDATIONS

- Nigeria has to seriously go back to agriculture, which used to be the mainstay of her economy. Modern methods of agriculture should be adopted to boost revenue generation. Funds earmarked for agriculture should not be diverted, rather the government should ensure that the targets are reached and earnestly empowered. Every facet of agriculture - crop production, livestock, forestry and fishing should be promoted. The issue of herdsmen molesting rural farmers and reducing crop yield should be handled without political interference. The Benue killing should be stopped knowing that Benue's contribution to agricultural production cannot be over emphasized.
- The mining sector should be given adequate attention. Nigeria stands a chance of benefiting from the solid mineral sector like other countries in Africa, such as South Africa whose mining sector contributes meaningfully to its GDP. Security should be beefed up in some of these areas where mining takes place. The Ministry should deploy innovative technologies in the exploitation of natural resources. Nigeria has the capacity to become a major processing hub for solid minerals in the world.

- The government should earnestly fight corruption if this capital flight to foreign countries is to be curbed. Making corruption an APC/PDP fight will only worsen the economic crisis, as alleged corrupt PDP candidates would simply defect to APC to escape the full weight of the law.
- Though recession does not directly affect the population profile of the country, but it does have decisive impact on key demographic profiles such as population distribution, dependency ratio, employment rates, literacy rates, household characteristics and its access to facilities and amenities. There is no gainsaying that any attempt to address Nigeria's economic problems must proceed with a deeper understanding of its population structure, how it has been affected by recession and what can be done to ameliorate the ways recession has worsened the population situation. This, therefore, makes the case for the conduct of the census in this period of economic recession an absolute necessity rather than a luxury that can be shifted to a more 'convenient time' (Isiaka, 2017). Population planning should be effectively carried out and implemented to ensure that we do not only outgrow our food supply and employment capacity.
- Government needs to develop coherent fiscal and monetary policies. According to Agbakoba (2016), "CBN's focus on Forex management is encouraging round tripping and creating asymmetry. Therefore, the apex bank should focus on productive value of the economy and not numerical value of the naira. "It should fully deregulate forex market to allow level playing field and remove distortions such as round tripping."
- Government should manage their external debt very well. External borrowing is not bad, as it is done to defray deficit budgets in recession periods, when governments implement their expansionary policies. The major problem with Nigeria's external borrowing is their inability to manage the debt effectively. About 2.01 trillion naira was allocated to debt servicing in 2018 appropriation bill (Benjamin, 2017). This figure is very high and does not include the repayment of the capital. Therefore, there should be machinery put in place to ensure that governments at various levels do no borrow indiscriminately. Borrowing to pay staff salaries is inadequate and should be discouraged. Borrowings should be for the development of strategic sectors of the economy, like agriculture, manufacturing, infrastructure, among others.

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