

NIGERIA'S NEW PRESIDENT FACES OLD PROBLEMS

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Nigeria's new President Bola Ahmed Tinubu | Photo Credit: AP

May 29 was a historic yin-and-yang moment for Nigeria, Africa's most populous country and largest economy. On the positive side, a peaceful and orderly transfer of power followed a general election with [Bola Ahmed Tinubu, 70, being sworn in in Abuja](#) as Nigeria's 16th Executive President. He was also the seventh elected leader, completing a quarter of a century of unbroken constitutional democracy. This puts Nigeria as an outlier in a continent with a merited reputation for political instability.

Yet, this stellar accomplishment stands diminished by a stubborn constant: a puzzling inability of the Nigerian leadership to realise the evident socio-economic potential of this oil-rich and fertile country known for competent professionals and entrepreneurs. Endemic issues of insecurity, high unemployment and corruption have long defied resolution. Nigeria has the dubious distinction of having the world's largest number of people below the poverty line and children out of school. Insecurity has been a recurrent feature, with reports punctuated by Boko Haram carnage, mass kidnappings for ransom, bloody ethnic conflicts and petty robberies. Despite various "energetic" attempts, the country's grid power generation has remained stuck at around 4GW — approximately half the peak power consumption of Delhi. Even after spending \$25 billion on revamping the oil refineries, these continue to operate at less than 30% of their capacity, forcing the oil-exporting country to import petroleum products. Theft of the crude and its "bunkering" is estimated to cost the country \$5.4 billion annually, and fund illegal activities including armed militias.

Nigeria's socioeconomic recovery and sustainable development would need front-loading of its multiple assets. First, Nigeria has a reasonably competent civil service and professional security establishment and the political elite should allow them to handle the issues without being ridden roughshod. Second, a proactive hand holding of Nigeria's vibrant entrepreneurial class, particularly its informal sector, could drive economic growth. Third, Nigeria is a young society, with a median age of 18.3 years; they desperately need better education, skilling and jobs. Fourth, Nigeria is blessed with large swathes of fertile, irrigated land, and reversing its neglect of the farming sector can make the country food self-dependent. Lastly, the oil sector, the mainstay of exports and government revenue, needs better focus. Nigeria's current crude production capacity is 1.56 mbpd, which is significantly lower than its Organization of the Petroleum Exporting Countries (OPEC) ceiling of 1.742 mbpd. This gap needs plugging by curbing oil theft and bunkering.

To his credit, the incoming President has acknowledged these stubborn challenges and vowed to confront them. Having been a Governor of Lagos State, Nigeria's economic capital, a long-standing political "kingmaker" and a businessman in his own right, he knows what needs doing and how. He has lost no time in initiating the badly needed, but politically difficult, economic policy reforms. Within days of taking over, the national currency, the Naira, has been sharply devalued. The oil product subsidy, costing roughly \$10 billion annually, has also been abolished. These long-needed disruptors raise hope for an eventual end to Nigeria's long economic sclerosis.

Several factors predicate Nigeria becoming more important in the foreseeable future, globally and for India. Thanks to its high birth rate, Nigeria's population is expected to double by 2050 to cross 400 million, then the world's fourth largest. How Nigeria harnesses its human resource and natural wealth (such as oil and gas and land) would matter globally. This would be a double-edged sword: either leveraging a huge demographic dividend or a society scrimmaging ever more intensely for untapped and more scarce resources. The country already has enormous influence over Sub-Saharan Africa, often serving as a role model and trendsetter, and its role is destined to rise further.

India, too, has important stakes in the political stability and progress of Nigeria, which besides being a friendly Commonwealth country is also a large economic partner. Over 50,000 people of Indian origin live in Nigeria, its largest non-African community. As a rule, Nigerians value India's appropriate technology which is seen as well-suited to the local conditions. Nigeria has over 135 Indian-owned companies; collectively, these are the second-largest employer in the country. The total Indian investments in Nigeria are estimated to be in the vicinity of \$10 billion. Although India has traditionally been Nigeria's largest trading partner, its position has slid down as the bilateral trade shrunk by 21% in 2022-23 to \$11.852 billion.

Defence Minister Rajnath Singh represented India at the presidential swearing-in. This is quite apt as bilateral defence cooperation has a glorious past: six of Nigeria's past 15 Presidents were India-trained defence officers. The Defence Minister's visit would help revive these ties. Mr Tinubu's campaign slogan was "Emi lo kan" or "It's my turn" in Yoruba language. With enhanced engagement, India should be able to use the same catchphrase to resonate with Nigeria.

Mahesh Sachdev, a career diplomat, was India's High Commissioner to Nigeria during 2008-13. He is the author of the book, Nigeria: A Business Manual

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