



Nigeria

Nigeria: Conclusion

Kouassi Yeboua and Jakkie Cilliers

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Chart 38: Policy recommendations

Recommendations

- Build a results-driven alliance among political, business, and security leaders.
- Strengthen security through better capacity, coordination, intelligence, and socio-economic investment.
- Promote transparency, accountability, anti-corruption, and targeted support for vulnerable regions.
- Boost agriculture with climate-smart tech, rural infrastructure, land reform, and farmer-herder peace.
- Align education and skills with labour market needs.
- Harness the demographic dividend by reducing fertility rates through community partnerships.
- Expand access to electricity, roads, and broadband via decentralised renewable energy.
- Drive manufacturing reforms for labour-intensive, resource-based industrialisation and exports.
- Fully implement AfCFTA to support long-term growth.
- Promote job-creating labour market policies.
- Improve domestic revenue mobilisation for inclusive development.
- Foster a business-friendly environment.
- Deepen macroeconomic stability reforms.

Chart 38 summarises the policy recommendations for Nigeria.

This report shed light on the critical development challenges Nigeria faces—and the bold steps needed to unlock its vast potential. Despite a well-educated elite, strong entrepreneurial spirit and abundant natural resources, Nigeria has long struggled to translate its immense potential into tangible progress. Six decades after gaining independence, Nigeria continues to grapple with underdevelopment. This is reflected in persistent issues such as non-inclusive economic growth, a rapidly growing population, insecurity, limited economic diversification and structural transformation, low agricultural productivity, an unfavourable business environment and severe infrastructure gaps, especially in transport and energy.

Without decisive, transformative action, the country risks remaining stuck in a cycle of underdevelopment. Alarming, if Nigeria stays on its current development trajectory, it is projected to host the second largest number of people living in extreme poverty globally by 2031—an estimated 80 million - having overtaken India where poverty is declining rapidly. In 2040 Nigeria would have the largest number of extremely poor people globally (88 million). The time to act is now, before this stark future becomes a reality.

In light of this distressing forecast, we list a set of bold yet achievable policy interventions across key sectors that could set Nigeria on a path to shared prosperity. Among the eight intervention clusters, the full implementation of the African Continental Free Trade Agreement (AfCFTA) stands out as the most transformative for long-term development. However, in the near term, revitalising the agriculture sector offers the most immediate and accessible opportunity to reduce poverty—a true low-hanging fruit.

The Combined scenario, which integrates all intervention clusters, demonstrates that coordinated, cross-sectoral action holds the key to a dramatically brighter future for Nigeria.

Translating these possibilities into reality will require more than good policies—it demands bold, visionary leadership, an unwavering political will and the ability to cohere Nigerians behind such a direction, which will require sacrifice and pain. Nigeria's leaders must rise above personal interests and reorient the public purse toward inclusive, sustainable development. Their largest obstacle is likely to be convincing citizens that this time things are different.

The first and most urgent step toward Nigeria's development is addressing the country's security challenges. Nigeria faces a complex and multifaceted security crisis, ranging from terrorism and armed banditry to separatist movements. In the North, the threat of Boko Haram and other insurgent groups remains persistent. In the South, secessionist agitations—such as the Biafra movement in the Southeast and the Yoruba nation campaign in the Southwest—further complicate the national security landscape. These challenges pose a serious threat to the nation's unity, stability and development.

Without security, peace and social cohesion, economic prosperity will remain out of reach. The Nigerian government must take bold and decisive action to restore order and protect its citizens. To this end, the capacity of security forces must be significantly strengthened. This includes increasing funding for operations, modern equipment, training and logistics to enable rapid and effective responses to armed threats and unconventional security challenges.

Equally important is the need for improved coordination among security agencies. Streamlined collaboration will ensure optimal resource allocation and more strategic deployment of personnel and assets. Agencies must shift toward a more proactive security posture that emphasises advanced intelligence gathering, data-driven decision-making and strategic partnerships.

Furthermore, enhanced cooperation with neighbouring countries and international partners is critical to dismantling transnational criminal networks involved in kidnapping, trafficking and other illicit activities. Ultimately, tackling insecurity in Nigeria requires a holistic, multi-pronged approach. This includes not only strengthening security forces but also investing in education, socioeconomic development, community engagement and effective governance. Only through such an integrated strategy can Nigeria build a secure foundation for lasting peace and sustainable development.

Strengthening governance, enhancing transparency, promoting accountability and intensifying the fight against corruption are essential steps to ensure that public funds earmarked for development are used effectively. Good governance and transparency on spending will allow Nigeria to better manage its resources and address the pressing needs of its population.

Unemployment, poverty, economic hardship and unequal distribution of wealth are key drivers of insecurity in the country, including kidnapping for ransom, terrorism and separatist movements. Deep spatial inequalities further compound the problem. While some regions of Nigeria perform on par with upper-middle-income countries, others, particularly in the North, lag far behind, falling below the average for low-income countries.

In regions where livelihoods are scarce, unemployed youth are especially vulnerable to recruitment by armed groups and criminal networks. To address these disparities and reduce instability, the government must focus on improving access to quality social services and expanding economic opportunities, particularly in the most impoverished areas. Special attention should be given to northern Nigeria, where poverty is most acute. The government must scale up its targeted social protection programmes to support the poorest and most vulnerable households to reduce inequalities and poverty, which are destabilising factors in Nigeria.

Nigerian authorities must prioritise strategic investments in the agricultural sector to boost productivity, ensure food security and reduce poverty. A first step is to improve the basic infrastructure, roads in particular, that allows access to the market, then investments to increase crop yields through improved land-use practices and the adoption of modern, climate-smart technologies. This includes facilitating farmers' access to high-yield, disease- and drought-resistant seedlings, affordable fertilisers and credit guarantees.

The government should also increase public investment in key agricultural infrastructure, such as irrigation systems and storage facilities, while scaling up research and development (R&D) to drive innovation and support sustainable agricultural practices.

Sustainable management of agricultural resources will be crucial for long-term food security and national stability. To reduce tension and promote equitable access, the country needs a robust land management system that addresses disputes over land use and tenure and promotes equitable access.

Furthermore, federal and state governments should work collaboratively to foster peaceful coexistence between farmers and herders. This requires resolving conflicts through dialogue, implementing resource-sharing agreements, and reforming livestock production systems. By doing so, Nigeria can unlock the immense potential of its agricultural sector, which is a low-hanging fruit, to significantly reduce poverty.

Nigeria still has a long way to go to equip workers with the skills they need for productive jobs and to establish, maintain and grow firms. Given their health and education outcomes, a child born in Nigeria in 2020 will only achieve 36% of the productivity he or she could have attained with full health and education.

To address the dual challenges of human capital bottlenecks and rapid population growth, Nigeria must prioritise expanded access to family planning services, quality healthcare and education, clean water and improved sanitation. These foundational investments are essential to unlock the country's development potential. It is particularly important to enact policies that would advance Nigeria's demographic dividend, including raising the minimum legal age for marriage, much larger access to modern contraceptives and promoting girls' education and women's economic empowerment. These measures will contribute to lower fertility rates, improved health and education outcomes and greater gender equality.

Recognising the central role of religion in Nigeria's socio-cultural landscape, the active involvement of religious leaders is critical to the success of counter-insurgency and family planning initiatives. These leaders hold significant influence over community attitudes and can either support or hinder efforts to advance security and reduce fertility rates. The government should therefore engage religious leaders as key partners in both.

Nigeria should scale up investments in transport and digital infrastructure, in partnership with the private sector, to better integrate the domestic market and support business expansion. At the same time, expanding access to reliable electricity, particularly through decentralised mini- and off-grid renewable energy solutions, is critical to fostering job creation and ensuring sustainable power supply in underserved urban and rural areas.

In the oil and gas sector, boosting domestic refining capacity is critical to achieving energy self-sufficiency. The full operationalisation of the Dangote Refinery presents a strategic opportunity to reduce reliance on imported fuel, strengthen the local value chain and enhance energy security in Nigeria.

Nigeria must undertake bold reforms to deepen economic and export diversification, with a particular focus on expanding the manufacturing sector to drive domestic value addition, productive job creation and poverty reduction.

A pragmatic entry point would be to promote labour-intensive, commodity-based manufacturing. This approach would leverage Nigeria's existing comparative advantages in agribusiness, solid minerals and metals, and oil and gas. Already, in May 2025, Raw Materials Research and Development Council published its [Raw Materials Sector Development Plan](#) for 2025 to 2034 with the purpose to transform Nigeria's raw materials sector into a globally competitive industry for structural transformation of the economy. The goal is to add 95% value to Nigeria's raw materials by 2034.

Over the long term, as comparative advantages evolve, Nigeria can move toward horizontal integration by expanding into higher-value manufacturing sectors. This progression will require sustained investments in industrial learning, capability development and technological upgrading.

Currently, it is estimated that Nigeria spends approximately [US\\$30 billion](#) annually on imported manufactured goods, accounting for over half of its import bill. A robust local manufacturing sector could significantly reduce this dependence. Therefore, the government should prioritise reforms to improve the business climate, ensure macroeconomic stability and enhance economic freedom to attract both domestic and foreign investment into the manufacturing and other non-oil sectors. Public procurement should be strategically leveraged to promote locally manufactured goods, creating a stable demand base for domestic industries.

Also, Nigeria should prioritise the full implementation of the AfCFTA, which is essential for increasing the size of the export market and upstream help to domestic firms while also imposing competitive discipline to drive up productivity and earnings. By unlocking broader regional markets, the AfCFTA presents a vital opportunity to diversify exports beyond hydrocarbons, boost industrialisation, attract investment and accelerate economic diversification and job creation—ultimately contributing to sustainable poverty reduction.

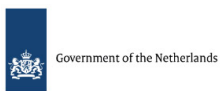
The government should leverage digital technologies to significantly improve tax administration and increase domestic revenue mobilisation. New [tax legislation](#) signed into law in June 2025 already go a long way in this direction. In addition, the adoption of e-government tools—such as e-filing and e-invoicing—has proven effective in other African countries like South Africa, Kenya, São Tomé and Príncipe, where such reforms have broadened the tax base, improved efficiency and helped reduce corruption in the tax collecting system. Nigeria can draw on these examples to implement similar digital solutions to create more fiscal space and improve public sector performance.

Nigeria needs more productive jobs for sustainable poverty reduction, but these are scarce. In Nigeria, as in many African countries, in-work poverty—a situation where individuals are employed but still live in poverty—is common, as many jobs are not productive and therefore do not [generate](#) sufficient earnings to escape poverty. To ensure that economic growth benefits poor and economically insecure Nigerians, it is essential to improve labour market outcomes. This requires labour market policies that promote the creation of productive private sector jobs, which are key to lifting people out of poverty.

Efforts to address all these structural constraints must be anchored in a sustained commitment to maintaining macroeconomic stability.

Finally, none of these policy recommendations will yield results without strong political will and consistent implementation. Nigeria has formulated numerous development plans, but execution has often fallen short. What is urgently needed is a commitment by Nigeria's political elite to visionary, development-oriented delivery that promotes inclusive economic growth, builds strong institutions and improves social service delivery for the Nigerian population.

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About the authors

Dr Kouassi Yeboua previously worked as a Senior Researcher at AFI, where he led significant ISS studies on the long-term development prospects of the Democratic Republic of Congo, the Horn of Africa, Nigeria, Malawi, and Mozambique. His research focuses on development economics, macroeconomics, gender, and economic modeling. He holds a PhD in Economics.

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute, and is an extraordinary professor at the University of Pretoria. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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