Journal of Business and Economic Policy
UNIZIK Business School, Nnamdi Azikiwe University, Awka

UBSJBEP
1 (3)
https://journals.unizik.edu.ng/index.php/ubsjbep
Quarterly Journal of UNIZIK Business School, Awka, Nigeria

PUBLIC POLICY INCONSISTENCY AND ECONOMIC DEVELOPMENT IN NIGERIA

CITATION: [1]Umar Yahaya SULEIMAN, [2]Adamu Hamma DAURA, [3]Fatima Shehu LIBERTY (2023) Public Policy Inconsistency and Economic Development in Nigeria, *UBS Journal of Business and Economic Policy,* 1(3), 148-160

Paper Type*: Original Research Paper;* ***Correspondence***: abatchadaura@gmail.com

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Abstract
The Nigerian economic landscape has been marked by a series of policy alterations, culminating in a convoluted and capricious environment. The sudden cessation of subsidies on vital goods and services, coupled with the transition to a fluctuating exchange rate, has generated concerns regarding their impacts on economic stability, growth, and broader developmental prospects. The objectives of this study encompass a twofold approach: firstly, to meticulously dissect the direct and long-term effects of subsidy elimination on pivotal economic indicators, such as inflation rates, consumer purchasing power, and overall societal welfare; secondly, to meticulously probe the implications tied to the shift from a static to a fluctuating exchange rate regime for the Naira. Through an exhaustive analysis of these policy shifts, the intent is to illuminate potential consequences and offer discernment for the sustained and robust evolution of the Nigerian economy. The outcomes of these policy changes have yielded both positive and negative outcomes. The withdrawal of subsidies has empowered the redirection of significant funds that were formerly allocated to subsidies into poverty alleviation initiatives, infrastructure expansion, and social welfare programs. Equally, this policy pivot has led to immediate escalation in the cost of essential commodities, disproportionately impacting the most vulnerable sectors of society and contributing to inflationary pressures. To ameliorate the detrimental effects of policy inconsistency, recommendations are posited. These encompass the establishment of targeted social safety nets aimed at shielding marginalized populations, a policy of transparent communication to adeptly manage public expectations, creation of an investment-conducive milieu among others.

Keywords: policy inconsistency, subsidy removal, exchange rate.

Introduction

The Nigerian economy has long been characterized by a series of policy shifts and changes, leading to a complex and often unpredictable economic landscape. These policy inconsistencies have raised concerns about their potential effects on the country's economic stability, growth, and overall development. Among the notable policy changes in recent times are the removal of subsidies, the adoption of a floating exchange rate for the Nigerian Naira, and the subsequent challenges faced by the nation. A policy generally refers to a set of principles, rules, guidelines, or protocols that guide decision-making and actions within a particular context or organization. Policies are created to help individuals or groups make consistent and appropriate choices in various situations. It's on this, Dlakwa, H.D. (2010) examined public policy as legally sanctioned statement of intentions by government following a painstaking process of decision making, as well as the crafting of an institutional framework through which these intentions could be accomplished so as to meet the yearnings and aspirations of the citizenry. From these perspectives public policy implies one or more characteristics or attributes form of goals and objectives to be accomplished, alternative strategy for achieving the objectives among various orientations by governmental organs as well as action that requires flexibility in order to cope with changing desires of the people, shaped in consonance with their socio-cultural environment.

As contained above, policies are made to solve certain problems or guide against key effects of actions that may be detrimental to the existence of the Organization, Society, Community, or a defined group. Adebayo, A. (2020) observed that "In order to ensure progress and tranquility, an already established policy must be strictly implemented/ follow if any meaningful progress would be recorded. It cannot be an emphasis that various parts of Nigeria remained underdeveloped as a result of incoherence policy formulation and implementation". From this view, policy inconsistency is happens as a results of poor implementation by the government. It's lack of clear understanding of what to achieve that breed poor policy in Nigeria. Moreover, there has been an increasing call for fuel subsidy reforms globally as policy-makers have expressed concerns regarding the efficacy of such programmes as well as its implications for fiscal sustainability. (See, Clements, B. J., Coady, D., Fabrizio, S., Gupta, S., Alleyne, T. S. C., &Sdralevich, C. A., 2013).It has also been argued by Omotosho and Babatunde, S. (2019) that; contrary to its intention, badly-targeted subsidy programmes have worsened the problem of inequality. Despite reservation by successive government to either remove subsidy or otherwise since 80s, the current Nigeria President Bola Ahmed Tinubu declared on 29th May, 2023 at his inauguration that "subsidy has gone" without providing an alternative policy that can cushion the immediate effects of policy.

Amadi, S. (2023) argues that from his "fuel subsidy is gone" statement on his inauguration day, in which he further clarified that the 2023 Budget made no provision for subsidy payment, it was clear that Tinubu was out to end a controversial policy that successive governments since the eighties could not address due to vested interest. It was widely believed that fuel subsidy benefitted the rich and hurt the economy badly. President Tinubu had said, "Subsidy can no longer justify its ever-increasing costs in the wake of drying resources. We shall instead re-channel the funds into better investment in public infrastructure, education, healthcare and jobs that will materially improve the lives of millions."However, the pronouncement by Tinubu immediately shot up the pump price of petrol from about N185 per litre at filling stations in some cities in the country to an average of N600 per litre". He furthered argued that; Nigeria has the lowest minimum wage in the world, or at least any of its comparable countries. Let us take a few examples. Pakistani is a comparable country to Nigeria in terms of population, diversities, and economic development. Its minimum wage is $111. South Africa has a minimum wage of $226, while Saudi Arabia has $958. Minimum wage in neighboring Chad is $108.2. War-torn DRC has a minimum way of $92.47. Nigeria's minimum wage is $68, the lowest in the World. Besides, Nigeria is one of the poorest countries in the world with an estimated 80-90m very poor citizens. The recent NBS estimates report that 143m Nigerians are multidimensional poor. The current unemployment is about 33.4%. The concern should be how proper pricing of an essential product like premium motor spirit (PMS) would impact on the livelihood and wellbeing of majority of these citizens". The poor Nigerians now understand that payment of subsidy affect their lives directly, it has even become the only things the poor benefiting from the government directly.

However, the decision to adopt a floating exchange rate for the Nigerian Naira is a significant policy shift that can have far-reaching implications for the country's economy. The transition from a fixed or managed exchange rate system to a floating one introduces a greater degree of flexibility in the currency's value, which can lead to various economic consequences. It also introduces challenges such as exchange rate volatility, inflation, and uncertainty for businesses and consumers. The floating affected prices of imported goods. The astronomical spike in transportation costs is a crippling result of the fuel subsidy removal. Fares have gone well over 100 per cent on many routes across the country, with multiplier effects on passenger commuting, goods movement, and prices of foodstuffs. The unification of forex rates hits the national economy through debts, with the profile rising to N81trillion following the floating of the naira and the resultant devaluation by the Central Bank of Nigeria (CBN). The devaluation saw the local currency, which was exchanged at N430 to the dollar at the official window before Tinubu assumed office and as at the end of the first quarter when the Debt Management Office (DMO) last published the national debt profile, shoot over N750 at the close of trading at the import and export window. Based on the above, Moghalu, K. (2023) said that; "the reality is that Nigerians are suffering greatly because the cost of living has risen beyond their means, the poor are left to absorb shocks of the government's policies… He noted that the Federal government should have moved faster on the matter of a new minimum wage and should have had a way of subsidising transportation. All these should have been addressed with the same determination that we have seen in the government's reforms".

It is on this, Abayomi, O. (2023) argues that "the economy's key sectors suffer due to low earnings already consumed by inflated subsidy payments. The trade deficit of $20 million recorded in November 2022 from the low crude oil export receipts signals the urgency to jettison petrol subsidy, develop local production capacity and end fuel import dependency for a favourable balance of trade. He further believed "fuel subsidy was riddled with corruption, manipulation and mismanagement. The N3.92 trillion allocated for petrol subsidy between January 2020 and June 2022, surpasses the combined federal budgets for healthcare, education, and defence throughout the 30-month period. Nigeria spent about 10 trillion Naira on petroleum subsidies in between 2006 – 2018. It gulped N5.82 trillion 2021 – 2022 and N3.36 trillion being proposed for the first six months of 2023. These figures indicate a significant drain on the government's finances, impeding its ability to invest in crucial sectors which could bolster economic growth and people's well-being". This study aims to comprehensively examine the effects of policy inconsistency in the Nigerian economy, focusing on the outcomes of subsidy removal and the floating of the Naira. By conducting a rigorous analysis of these policy changes, this research seeks to shed light on the potential consequences, implications, and possible paths forward for the Nigerian economy.

Statement of the Problem:
Nigeria, as a developing nation, has grappled with various economic challenges over the years, and the inconsistency in economic policies has further exacerbated these issues. The abrupt removal of subsidies on essential goods and services, coupled with the decision to float the national currency, has sparked debates and concerns regarding their impact on inflation, foreign exchange stability, investment climate, and overall economic welfare. The sudden and sometimes contradictory nature of policy shifts has raised questions about the government's ability to maintain a stable and predictable economic environment. This study seeks to address these concerns by investigating the effects of policy inconsistency on the Nigerian economy, with a specific focus on subsidy removal and the floating of the Naira.

Objectives of the Study:
The primary objectives of this study are as follows:

1. To examine the immediate and long-term effects of subsidy removal on key economic indicators such as inflation, consumer purchasing power, and social welfare.

2. To analyze the relationship between policy inconsistency and economic growth in Nigeria.

3. To identify the challenges and constraints faced by policymakers in maintaining consistent and effective economic policies.

4. To propose viable strategies and recommendations for minimizing the negative effects of policy inconsistency and promoting sustainable economic development.

Justification of the Study:
The study on the effects of policy inconsistency in the Nigerian economy, focusing on subsidy removal, the floating of the Naira, and their implications, holds significant relevance for several reasons. Nigeria's economy has experienced periods of instability and vulnerability due to inconsistent policy decisions. Understanding the consequences of policy shifts is crucial for promoting economic stability and sustainable growth. Insights gained from this study can inform policymakers about the potential risks and benefits of different policy choices. This can lead to more informed and effective policy formulation, reducing the likelihood of abrupt and disruptive changes. Finally, the study contributes to the academic literature by providing an in-depth analysis of the effects of policy inconsistency in Nigeria, shedding light on the challenges and potential solutions.

Limitations
Despite its importance, the study is not without limitations. The study is limited to present administration of Bola Ahmed Tinubu from 29th May- to this date. The consequences of his policies and actions affected the lives of poor Nigerians. The availability and reliability of data can impact the depth of the analysis. Limited or incomplete data may restrict the ability to draw robust conclusions. Economic systems are complex and influenced by numerous interconnected variables.

Assumptions

The study findings can help inform better policy decisions, promote economic stability, and drive sustainable development. To conduct this study effectively, certain assumptions are made:

1. The study assumes a causal relationship between policy inconsistency and its effects on economic indicators, although other factors might contribute as well.
2. The analysis assumes that economic actors behave rationally and respond to policy changes in predictable ways, which might not always be the case.

3. The study assumes that data collected and compared from various sources are comparable and consistent, although differences in methodologies and definitions might exist.

Review of Related Literature

There are various empirical studies conducted in the past which form the existing literature for the subject matter of this current study. Previous studies that relate to this current study are reviewed and categorized based on how each of the variables affects economic growth and stability in Nigeria as presented in the existing literature. The research focus on recent subsidy removal, unification of foreign exchange rate and other economic policies that are inconsistencies in their implementation.

Policy

Policy is defined as a 'standing decision' characterized by behavioural consistency and repetitiveness on the part of both those who make it and those who abide by it (Eulau and Prewitt, 1973). Easton (1953) however, argue that policy is about the choice of values associated with particular goal states. Policy has been seen and conceptualized from different perspectives; as a statement of intention, set of governmental activities as well as process of decision making or choice. Cited in Dlakwa, (2010). Policy as a statement of intention is regarded as an embodiment of official pronouncements on what governments would want to do or to be done on behalf of the citizenry. It consists of series of guidelines for actions to be taken in order to improve the welfare of the citizenry prepared by government or its designated agent. Viewed from this angle, one can be regarded public policy as all the legally sanction and duly documented intentions of a government, such as executive orders, Act of Parliament, development plans and all other official pronouncements that might have received legal backing. Policy as a set of government activities, from a descriptive perspective, public policy is defined as a dynamic process that is characterized by a course or pattern of activities carried out with the aim of achieving predetermined objectives. Public policy thus consists of all the constellations of activities carried out by governmental agencies, or their representatives, with the sole purpose of achieving stated objectives. This presupposes those intentions of the government. In this respect, what matters most is the course of action taken by governmental actors in solving societal problems. Dlakwa, (2010).

Public Policy

Anderson (1984) sees public policy as a purposive course of action followed by a political actor or set of actors in dealing with a problem or a matter of common concern for a given community. Similarly,Nweke, E. (2006) conceives public policy as all actions taken by government. The emphasis here is, what is actually done with a view to achieving stated objectives, rather than the actual process of decision making itself. From this perspective public policy refers to all authorized means devised by government in order to achieve its stated goals and objectives. This can take the form of rendering social services to the community by a governmental agency or ministerial department. Public policy is thus a mechanism used in translating goals/objectives into practical actions that can affect positively the lives of people. Within this context public policy and public administration are seen as conterminous, as both of them relate to the art and craft of grappling with and managing the major problems that society faces. But, strictly conceived public administration is only the operational aspect of public policy in the sense that the public administrator is expected to translate public policy into services delivery without having to alter the content of the policy. Policy as process of decision-making or choice, in these light goals and objective are not normally found in cut and dried form or ready-made in any community, no matter how small the community might be. They have to be carefully identified, clearly defined and re-defined as well articulated by the government and the citizenry. Therefore, any government wishing to succeed in its official endeavor would have to make a concerted effort at determining the desirable objectives to pursue for its people. This entails the taking of initiatives "to set goals, develop plans, implement and evaluate programmes" (Jones, 1977). It is in this light that Dye (1980) considers public policy as anything that government chose to do or not to do. Jenkins (1978), who conceives public policy as a set of interrelated decisions by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation. In essence, public policy refers "to the general principles used to guide operational decisions", or a set of "intelligently directed actions toward consciously determined goals" (Howard, 1982).

Furthermore, Dlakwa, (2010) examined all the three perspectives on public policy are interlinked, as there cannot be any meaningful statement of intention without elements of decision making coming into play. Accordingly, he defined and conceived public policy as legally sanctioned statement of intentions by government following a painstaking process of decision making, as well as the crafting of an institutional framework through which these intentions could be accomplished so as to meet the yearnings and aspirations of the citizenry. From these perspectives public policy implies one or more characteristics or attributes form of goals and objectives to be accomplished, alternative strategy for achieving the objectives among various orientations by governmental organs as well as action that requires flexibility in order to cope with changing desires of the people, shaped in consonance with their socio-cultural environment. From foregoing discussion, we have come to conclusion that public policy seems to have placed considerable importance on the role of government, thereby creating the impression that policy-making is a government-driven activity. However, it is in these light that I summarize these definition and view 'public policy as an action of government through the process of identifying the societal needs and demands and deliberate on those thought and ideas by the executive arm of government and legitimization by the parliamentary for the progress and development of society and maintenance of law and order'.

Stages of Public Policy

a. **Needs Identification**: is the process of noticing, articulating and aggregating the pressing needs or demands of the society so as to attract government's attention to them.

b. **Policy proposal**: refers to the stage at which tentative solutions are suggested for tackling the identified problems. While in principle government might be willing to attend to all problems in the society, irrespective of the community affected, in reality it will be more favourably disposed to attending to proposals made by communities that are able to properly articulate concrete steps for action, than to communities whose request come to government in ambiguous or vague form.

c. **Policy adoption/Legitimization**: is the stage at which the proposed policy options have been subjected to scrutiny in terms of their merits and demerits, as well as their cost and benefits. After this screening process some of the proposals will be accepted for implementation. But, in order to protect the civil servants that would be engaged in implementing such policy from litigation arising from performing their official function there is a need to provide a legal backing to each piece of policy.

d. **Policy implementation**: Policy implementation is the most critical stage of the policy cycle. This is so because any policy that is adopted and legitimized but not properly implemented is not worth more than the paper it is contained. This stage also represents a kind of interface between the politicians who dominate the decision-making process and the civil servants who have the responsibility of translating the policy statements into concrete actions.

e. **Policy Evaluation**: constitutes the activities geared towards ensuring that the stated goals and objectives of the policy are being met. It also provides a basis to judge whether resources employed in executing projects have been utilized efficiently or effectively. Similarly, it is from evaluation that the cost-effectiveness of a project could be determined through with a view to adopting new management techniques that can improve the performance.

Policy Inconsistencies in the Nigeria Economy

The Nigerian economy has been subsided in various ways for many years and this includes fuel, education, electricity, forex etc. Fuel subsidies began in the 1970s and became institutionalised in 1977, following the promulgation of the Price Control Act which made it illegal for some products (including petrol) to be sold above the regulated price. While the concept of subsidy itself is noble, its administration in Nigeria has been plagued with serious allegations of corruption and mismanagement. (PWC, 2023)

Effects of Subsidy Removal on Nigeria's Population

In the wake of the global financial crisis and increasing sovereign debt risk, financing for development is drying up and developing countries must now look inward to finance their growth and development needs. Moyo and Songwe (2012). The removal of subsidies is a complex policy decision that can have significant implications for a country's economy, particularly in a context like Nigeria with a large population and a substantial number of people living in absolute poverty. According to the World Bank, Nigeria's total revenue in 2000 was USD10.8 billion. By 2010, this amount increased to USD 67.9 billion. Yet the Nigerian government has spent over USD 30 billion on fuel subsidies over the past 18 years. This has had a significant impact on funds available for critical infrastructure and other essential sectors such as education, health, and defence. According to the Debt Management Office, the country's public debt stock is being

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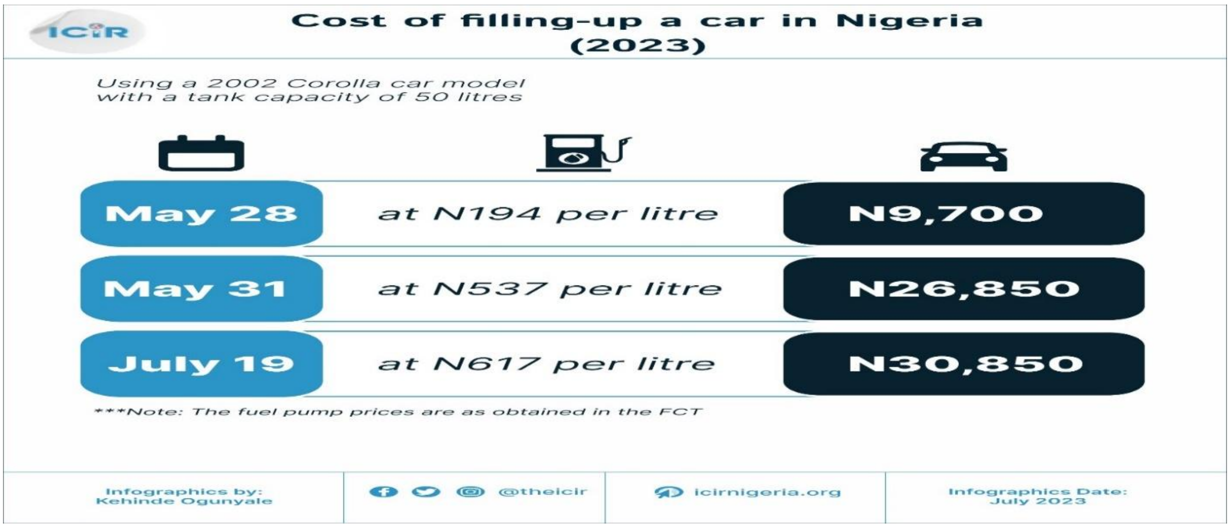
increased as the government had to borrow N1trn to finance fuel subsidy in the year 2022.

According to the recently released multidimensional poverty report of the National Bureau of Statistics (NBS), Nigeria's poverty index was estimated to be at 0.257, with about 133 million people being multidimensionally poor. This category of individuals are not in a position to purchase vehicles or own generators that will run for several hours in the absence of power supply from the grid. The major touch point that they have with fuel consumption is indirectly through public transportation - and the majority of the vehicles that engage in public transportation run on AGO (diesel) which has already been deregulated. (PWC, 2023). Subsidy removal often leads to an increase in the cost of goods and services that were previously subsidized. For a population already struggling with poverty, higher prices for essential commodities like food, fuel, and electricity could significantly erode their purchasing power. The rise in prices could contribute to higher inflation rates, disproportionately affecting the poorest segments of society. The Tinubu administration jacked the fuel price from a range of N187 to N255 per litre obtainable in Lagos and Abuja, respectively, to a new price of N488 per litre in Lagos to N560 in Abuja. The prices were higher in some other states across the country and now the litre price reached 750 per litre across the Nigeria states.



On the positive side, subsidy removal allowed government to save over one (1) trillion as it eliminates the financial burden of subsidizing certain goods and services. These additional funds could potentially be directed toward poverty alleviation programs, infrastructure development, and social services. The effects of subsidy removal on Nigeria's population of 200 million, with 100 million in absolute poverty, are complex and multifaceted. While subsidy removal can contribute to increased government revenue and potentially support long-term economic stability, its short-term consequences can disproportionately affect the poorest segments of society. Careful planning, effective communication, and well-designed social safety nets are essential to mitigate the negative impact on the most vulnerable and ensure a more equitable distribution of the policy's effects.

Floating of the Naira and its Implications on the Nigerian Economy

The Central Bank of Nigeria, in May, raised its benchmark lending rate to 18.5 per cent.The decision to adopt a floating exchange rate for the Nigerian Naira is a significant policy shift that can have far-reaching implications for the country's economy. The transition from a fixed or managed exchange rate system to a floating one introduces a greater degree of flexibility in the currency's value, which can lead to various economic consequences. One of the most immediate effects of adopting a floating exchange rate is increased exchange rate volatility. The value of the Naira against other currencies will be determined by market forces, such as supply and demand for foreign exchange. This volatility can impact businesses' ability to plan and forecast their expenses and revenues, potentially leading to uncertainty in investment decisions. Nigeria has been struggling to attract foreign direct investment (FDI) in the last few years, with investment falling by as much as 90% since 2008. A severe dollar shortage has seen companies flee the continent's biggest economy as investment fell to $468m in 2022 from $698m a year earlier, according to data from the National Bureau of Statistics.

With the monetary reforms comes a devaluation of the naira – which was overvalued by at least 250% in 2021 according to the Rand Merchant Bank "milk index". Rate unification and the resultant devaluation could mean a further squeeze in the cost of living, Dawodu says. "We are starting to see the impact of the removal of subsidy on the cost of transportation, and soon on the price of goods and services. The naira immediately fell 36% against the dollar on the official market. AyodejiDawodu, (2023) says: "We note that most of the goods and services in the economy were actively being priced closer to the parallel market rate, which could limit the inflationary impact of the move for now." However, as gas prices were based on the official rate, this could mean higher electricity tariffs could be on the horizon, "while an overshoot in the rate could force the government to raise fuel prices again. We note that the impact of the devaluation on local banks could be mixed as the larger banks tend to hold a net long foreign currency position on their balance sheets, which would cushion the negative impact of a currency devaluation on capital adequacy.

The major prices of food items went up as a result of naira floating and subsidy removal, it affected the daily activities of Nigerians, all agricultural commodities their price hikes in the market, the poor has been thrown in to state of confusion, the policies effects are negative in a short-run or term, despite the government promised to intervene to cushion the effects of the policies. It's every evidently that inconsistencies is the factors that are hindering policy implementation in Nigeria. Premium Times, an independent newspaper conducted a special report on July, 2023 to ascertain the level of raising costs of foods prices as a result of subsidy removal and Naira floating, the survey was conducted across nine states across the country namely; Abuja, Ogun, Lagos, Kano, Katsina, Anambra, AkwaIbom, Kaduna and Gombe. The results shows that the prices of food items have been on a steady rise in the last 12 months.**N**igeria recorded an average of about 28.2 per cent increase in the prices of major food items consumed in many households in the country in the last year. The food items monitored include yam, rice, beans, vegetable oil, palm oil, tomatoes, pepper, maize, onion, and millet.Others are noodles, spaghetti, sugar, wheat flour, meat, garri, wheat, and guinea corn. The nation's annual inflation rate rose to 22.79 per cent in June from 22.41 per cent in the previous month, according to the National Bureau of Statistics (NBS). The statistics office said the June headline inflation rate 2023 inflation rate showed an increase of 0.38 per cent points when compared to May 2023. It said the rise in food inflation on a year-on-year basis was caused by increases in prices of oil and fat, bread and cereals, fish, potatoes, yam and other tubers, fruits, meat, vegetable, milk, cheese, and eggs.

Moreover, the removal of petrol subsidy and other policy interventions resulted to this situation Nigeria found itself. The policy has increased the numbers of poor in the country. Based on the outcry of Nigerians and the labour union, the president released tons of grains and wheat to be distributed by the state governors to reduce the impact of the policies. Borno State Governor, BabaganaUmaraZulum explained on 17th August, 2023 that after deliberations at the National

Food price changes on selected food items in the last 12 months

	Items	Quantity	Current Price	Last year's price	Percentage Change (%)
1	Beans	100kg	60,000	56,000	7
2	Rice	50kg	42,000	37,000	14
3	Garri	50kg	27,000	22,000	23
4	Yam	100 tubers (medium size)	60,000	40,000	50
5	Palm Oil	25 litres	28,000	28,000	0
6	Vegetable oil	25 litres	32,500	30,000	8
7	Noodles	70g	3,000	1,800	67
8	Beef	1kg	3,200	2,500	28
9	Wheat flour	50kg	33,500	25,000	34
10	Sugar	50kg	40,000	32,000	25
11	Maize	100kg	34,000	25,000	36
12	Guinea corn	100kg	32,500	21,000	55
13	Millet	100kg	33,000	25,000	32
14	Wheat	100kg	38,000	31,500	21
15	Fresh pepper	1 basket	18,000	13,000	38
16	Onions	1 basket	16,000	13,000	23
17	Fresh tomatoes	1 basket	19,000	16,000	19

Table: Ntiedo Ekott • Source: Premium Times, The Centre for Journalism Innovation and Development (CJID) • Created with Datawrapper

Economic Council (NEC), the Federal Government approved N5 billion for each to enable them procure food items for distribution to the poor in the respective states and FG also released five trucks of rice each to the 36 state governors. The government intention is to save money from subsidy payment and channel the money human capital development that can practical helps the country economy and increase investors' confidence, but, the consistency in the implementation of the policies, the lofty ideas without clear roadmap and realistic timeframe to achieve the objectives of the policies and the lack of awareness to educate people on what the government entails to achieve are what makes the general populace to questions the government decision to remove subsidy without adequate and realistic goals. As laudable as the policy may be, efforts should be made at ensuring that it addresses the challenges it was established to tackle, in order to bring about transformative reforms in fiscal and monetary policies.

Conclusion

The Nigerian economy's journey through policy inconsistency has underscored the critical importance of well-thought-out, consistent, and effectively implemented policies. The removal of subsidies and the transition to a floating exchange rate for the Naira have triggered debates and concerns about their short-term and long-term impacts. While subsidy removal offers potential benefits such as increased government revenue for development initiatives, the immediate effects on the cost of living, particularly for the most vulnerable citizens, cannot be ignored. Similarly, the move towards a floating exchange rate brings about increased flexibility but also introduces exchange rate volatility that can affect business planning and investment decisions. As the Nigerian government strives to achieve economic stability and sustained growth, transparent implementation, targeted social support, and long-term strategic planning are indispensable.

Way Forward

In light of the complex economic landscape shaped by policy shifts and changes in Nigeria, there are several key steps that can pave the way forward for the nation's economic growth and stability:

i. The government should develop and implement targeted social safety nets to cushion the immediate impact of policy changes on the most vulnerable segments of the population. These safety nets should include subsidies for essential goods and services, as well as direct financial assistance programs.

ii. The government should establish reliable data collection mechanisms to accurately monitor and evaluate the effects of policy changes. Accurate data will enable evidence-based decision-making and help in designing effective policies.

iii. The Federal and state governments should launch comprehensive public awareness campaigns to educate citizens about the rationale behind policy changes, their potential benefits, and the short-term challenges they might face. Transparent communication can help manage public expectations and reduce resistance to reforms.

iv. The government at all level should create an enabling environment for both local and foreign investment by implementing investor-friendly policies, ensuring legal and regulatory certainty, and improving infrastructure. Attracting investments in non-oil sectors will contribute to economic diversification.

v. The Federal and state governments should strive for coherence in policy formulation and implementation across various sectors of the economy. Consistency and alignment between fiscal, monetary, and social policies can lead to a more stable economic environment.

vi. The Federal and state governments should engage with stakeholders, including business leaders, economists, academics, and civil society organizations, when formulating and implementing policies. Their insights can contribute to more comprehensive and effective policy decisions.

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