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UNLOCKING NIGERIA'S PRODUCTIVITY:

A Modern Economic Blueprint for Shared Prosperity

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Executive Summary

Nigeria, Africa's most populous nation and largest economy, stands at a pivotal moment in its development. With a GDP of about **$364 billion** in 2023 and a population exceeding **220 million,** Nigeria has abundant resources and a young workforce. Yet, **its productivity and income levels remain low,** and real GDP per capita has **stagnated or even declined** over the past decade. Average income per person is roughly $1,600 per year (about $4.4 a day), and nearly 40% of Nigerians live below the poverty line. Both the **profits of capital** and the wages of labor in Nigeria ultimately derive from the country's annual production – and raising that production is essential to improving living standards. This report analyzes Nigeria's economic structure through a modern lens, applying classic principles of **productivity, capital formation, and labor efficiency** to current data. It highlights how Nigeria's vast **human and natural resources** can be better harnessed, and how policy choices on taxation and investment can either bolster or hinder economic prosperity.

We find that **Nigeria's labor force is underutilized and underproductive** relative to its potential. A disproportionate share of workers are engaged in low-productivity activities (for example, over one-third of the labor force is in small-scale agriculture, contributing only about one-fifth of GDP), while higher-productivity sectors remain underdeveloped. Physical capital – from machinery on farms to power supply for industries – is insufficient or inefficiently used, which keeps output and wages low. At the same time, Nigeria's public sector has historically invested too little in the infrastructure and education that could raise productivity. Government revenues have been only about **9.4% of GDP in 2023,** among the lowest in the world, leaving "too few resources for social and development spending" according to the IMF. Costly expenditures like the petrol subsidy (which cost nearly **$10 billion in 2022** alone) and high debt service burdens crowd out productive investment. On the positive side, recent reforms – the removal of fuel subsidies, exchange rate unification, and renewed emphasis on fiscal discipline – are creating fiscal space that can be redirected toward development priorities.

Key findings: Nigeria's **high birth rate** and large inflow of young workers (over **3.5 million entrants per year)** could become an economic boon if those workers are sufficiently productive; however, under current conditions many remain unemployed or in low-paying informal jobs. **Labor productivity** is held back by gaps in infrastructure (e.g. unreliable electricity for businesses), **low levels of mechanization** (leading to many Nigerians doing physically arduous work with minimal output), and skills mismatches (the average Nigerian child will only be 36% as productive as they could be with full health and education). Yet where modern capital and skilled labor are applied effectively – for instance, in the oil & gas sector or advanced industries – output per worker is relatively high. This disparity suggests immense scope to **reallocate and enhance the use of labor and capital** for greater overall output.

Recommendations: To improve Nigeria's productivity and prosperity, we propose a strategy centered on **investing in people and productive assets, and creating an enabling environment for efficient use of those resources.** The report details actionable steps including: (1) **Scaling up infrastructure investment** – particularly in power, transportation and technology – to reduce the cost of doing business and enable modern industrial and agricultural practices; (2) **Mobilizing capital for productive use,** through better government revenue collection (while avoiding destructive taxation) and policies that attract private investment into manufacturing, agriculture value-chains, and services; (3) **Enhancing human capital** via education and vocational training, so that Nigerian workers can combine "hand and head" in utilizing machinery and innovation, echoing the successful integration of technical education seen in other countries; (4) **Improving the economic framework** – ensuring open trade and competition, stable monetary policy to curb inflation (which hit 26.7% in 2023 after subsidy removal), and strengthening governance to channel resources away from waste and toward "constructive work" that benefits the public. By pursuing these strategies, Nigeria can significantly **boost its output per capita**, raise real incomes, and better allocate the gains between labor and capital – creating a virtuous cycle of growth that attracts investors and delivers broad-based improvements in living standards. In short, Nigeria can modernize its economy by **applying classic economic principles – productivity through efficient labor-capital use and wise investment – to its contemporary challenges,** thereby unleashing the full potential of its people and resources.

Introduction: Nigeria's Economic Context and the Productivity Imperative

Nigeria today faces a developmental paradox. It is a country endowed with **vast resources** – a young and entrepreneurial population, rich agricultural land, and substantial oil and gas reserves – yet many citizens struggle to achieve a decent standard of living. **Economic output per person remains low,** and has even declined in real terms in recent years. As of 2023, GDP per capita stood at roughly **$1,596** (nominal), which is below the level of a decade ago in nominal dollar terms and only on par with some of the world's poorer economies in purchasing power terms. At the same time, about **87 million Nigerians (38.9% of the population) live below the poverty line,** making Nigeria home to the second-largest number of people in extreme poverty in the world (after India).

These outcomes signal **deep-rooted issues in how Nigeria's economy converts its abundant human and material inputs into useful output and income. In other words, the country's productivity – the efficiency with which labor and capital produce goods and services – is not reaching its potential.**

Fundamentally, the **annual wages earned by labor and the annual profits earned by capital in any economy both come from the annual production of that economy.** For Nigeria, this means the salaries of workers and the returns to investors are constrained by the size of Nigeria's yearly economic output (GDP). To raise incomes sustainably, Nigeria must **raise the amount and value of what its economy produces.** This link might seem obvious, but it bears emphasis in policy: attempts to redistribute or mandate higher incomes will fail in the long run if not supported by higher productivity. As an elementary example, if a Nigerian factory or farm doubles its output (through better machines, skills, or organization), there is more value to potentially distribute between the workers (in wages) and the owners or investors (in profits). Conversely, if output stagnates or declines, any short-term gains for one group come at the expense of another. Thus, improving productivity is a **paramount strategy for shared prosperity** – it creates a larger "pie" from which both labor and capital can draw larger slices without one side exploiting the other. This principle was observed historically in industrialized nations: the **highest wages and profits tend to be found where production is greatest and most efficient,** not where labor or capital simply tries to take a bigger share of a fixed output.

In the Nigerian context, **boosting productivity is especially urgent.** The country's population is growing about **2.5% per year,** adding millions of new mouths to feed and job-seekers to employ annually. If GDP does not grow significantly faster than this rate, GDP per capita will decline, worsening average living standards. Indeed, from 2015 to 2022 Nigeria's economic growth lagged population growth, causing **real GDP per capita to fall each year on average during that period.** This trend reflects the combined impact of **policy missteps, external shocks, and structural barriers**: for example, oil price collapses and pandemic disruptions hit output, while distortive monetary and exchange rate policies eroded confidence and investment. The net result is that many Nigerian households have seen **their purchasing power shrink** even as the nation's total GDP fluctuated. High inflation – reaching over **26% by late 2023 –** has further undermined real incomes and illustrates how *nominal* gains (like higher oil revenues when the currency is devalued) can be illusory for living standards if underlying productivity doesn't improve.

Against this backdrop, this report aims to **modernize and apply classic economic insights to Nigeria's current situation,** with a focus on how to increase the productive capacity of the economy. We adapt key arguments from a historical economic text – which emphasized the roles of labor, capital, and the allocation of national output – and reframe them for Nigeria today. The core themes include:

- **The relationship between output, wages, and profits:** showing that higher efficiency in production allows both workers and investors to benefit, and examining Nigeria's current output distribution between consumption and investment.

- **The role of capital (machines, technology) and skilled labor:** illustrating how better tools and training in Nigeria could drastically increase output (for example, in farming or manufacturing), thereby raising wages and returns, and how Nigeria's **labor force distribution** points to misallocation of effort.

- **The impact of "constructive" vs "destructive" uses of public resources:** comparing productive public investments (infrastructure, education, security) with unproductive expenditures or policies (such as excessive subsidies or mismanaged funds) that effectively act as a drag on Nigeria's economic potential.

- **The necessity of freedom and good policy for productivity:** discussing how excessive regulations or poor governance can stifle individual enterprise, and how Nigeria's business environment and internal trade can be improved to unleash competitive energy.

- **The critical importance of human capital development:** echoing the original text's call for combining "hand and brain," we look at Nigeria's education and training systems as the foundation for a more innovative and efficient economy.

Finally, the report provides **actionable recommendations** tailored to Nigeria's circumstances, aiming to guide policymakers and investors toward strategies that can uplift Nigeria's productivity, and by extension, the prosperity of its people. By understanding where Nigeria's current output comes from – and where potential output is being lost or unrealized – we can target interventions that yield the highest impact on growth and development.

Nigeria's Production and Income Distribution: An Overview

To improve productivity, it is first crucial to understand **how Nigeria's current national product is generated and used.** Each year, Nigeria produces goods and services valued at roughly ₦154 trillion (using the official exchange rate, about $364 billion in 2023). This **annual output** must cover all components of income: **consumption by households, investment in new capital, government services, and net exports,** as well as provide for depreciation (maintenance of existing capital) and any net foreign payments. In broad terms, we can think of Nigeria's output as being divided between **immediate consumption (the portion of output that is used up to sustain the population during the year) and savings or investment (the portion that is set aside to support future production).**

In Nigeria, as in most developing economies, th**e lion's share of output is used for consumption,** while a much smaller portion is available for investment. For example, if we assume an average Nigerian household of 5 people needs to spend a certain amount on food, shelter, clothing, transportation, and other basic needs, that consumption might account for perhaps **80-90% of their combined income** in a given year. National statistics reflect this pattern: estimates suggest that around **85-90% of Nigeria's GDP is consumed** annually (either by households or government), leaving only **10-15% for gross capital formation** (investment in buildings, machines, roads, etc. including replacement of worn-out assets). In concrete terms, if per capita GDP is about $1,600, an average person might consume roughly $1,300–$1,400 worth of goods and services in a year (mostly on necessities), with only around $200–$300 per capita being invested or saved on their behalf. Multiplying by Nigeria's population, this implies that out of the total annual output, on the order of **$300 billion** is used for consumption and government operations, and perhaps **$40–$60 billion** is plowed back into new productive assets or saved.

This balance – roughly **ten kobo of every naira** (or 10% of output) being reinvested – is **insufficient to rapidly build the stock of capital needed for economic transformation**. Moreover, much of that investment goes into maintaining or barely expanding existing capacity, given Nigeria's growing population and the depreciation of infrastructure. For instance, a significant part of public investment each year must go to **maintaining roads, power plants, and other facilities that are deteriorating**, meaning the net addition to capital stock is even smaller. In effect, Nigeria often finds itself running to stand still: a large portion of today's output is consumed, and a good fraction of what is saved is used just to pay for yesterday's projects (through debt service) or to replace yesterday's worn-out capital.

.Indeed, Nigeria's debt service costs have risen sharply – interest payments reached about **3.5% of GDP in 2023,** which was nearly half of federal revenue that year – so a chunk of current output is literally going to pay for past borrowing rather than new productive activity. This dynamic mirrors what the original economic text described as the burden of using current production to service past obligations: *"even in the payment of debt it takes a part of this year's product from one, and transfers it to another in payment for service in the long-distant past*". Reducing the need for such unproductive transfers (for example, by stabilizing debt levels and refinancing expensive debt) would free up more of each year's output to invest in the future.

The implication is clear: **to break out of stagnation, Nigeria must increase the share of output that goes into productive investment** – without causing undue hardship by cutting essential consumption. The only sustainable way to achieve this is to **grow the overall output faster,** so that even if a similar proportion is consumed, the absolute amount available for investment rises. This requires boosting productivity (more output from the same resources) and expanding the resources (e.g. employing more currently idle labor). It is not realistic to assume Nigerians – many of whom already live on extremely low incomes – can simply consume less in the short term to free up investment; rather, the key is to **produce more with the same effort**. As one observer put it over a century ago, *"the quantity of things to be divided – which constitute true earnings – must be made greater, and the cost of making made less,"* if both wages and profits are to increase. In Nigeria's case**, increasing the "quantity of things" produced per capita is paramount.**

Consider a stylized scenario: if Nigeria could, through better policies and technology, double the productivity of its workforce, the economy might produce, say, $728 billion instead of $364 billion in some future year. Even if the consumption needs of the population also rose (as people become better off, they will consume more), the country could perhaps consume $500–$600 billion and still have $100–$200 billion to invest – **multiple times more in absolute terms than today's investment levels.** That investment, if well-deployed, would further raise future output, creating a virtuous cycle. In contrast, without productivity gains, any attempt to increase investment by cutting consumption would run into political and social limits (one cannot indefinitely squeeze an already impoverished populace). Thus, the focus must be on **growing the pie** through efficiency and not merely reallocating slices.

It's also instructive to compare Nigeria's situation with some peers or with historical benchmarks. In advanced economies during their development, **high output allowed both high wages for workers and satisfactory returns on capital.**

The United States in the late 19th century (which the original text was describing) had far higher wages than Europe, because its productivity was higher and its burdens (like taxes for war) lower. Today, one could draw a parallel: if Nigeria's productivity were to surpass that of its African peers, it could afford **higher wages** without losing competitiveness, and also reward investors, attracting more capital. As of now, however, Nigeria often falls behind: for example, **Nigeria's labor productivity (output per worker) is lower than that of some smaller African economies,** and significantly below emerging Asian economies. This is reflected in wages – a skilled manufacturing worker in Nigeria might earn only a fraction of what a counterpart in, say, South Africa or China earns, largely because the output of the enterprise is lower. To turn the tide, Nigeria must replicate the formula of productive economies: **ample investment in modern equipment, effective training for workers, and a business climate that encourages innovation and the efficient allocation of resources.**

In summary, Nigeria's current distribution of its annual product is tilted heavily toward meeting present consumption needs, with only a thin margin for future-oriented spending. This makes it hard to build momentum for growth. **Raising productivity is the linchpin that will allow Nigeria to both sustain its population in better living conditions today and dedicate a larger surplus to capital formation for tomorrow.** In the next sections, we delve into how exactly Nigeria can achieve such productivity improvements by examining the roles of labor, capital, and policy.

Labor and Capital Efficiency in Nigeria: Unlocking the Potential

One of the most striking features of Nigeria's economy is the **mismatch between where people work and where value is produced.** A huge proportion of Nigerians toil in activities that yield very low output per person, while a much smaller fraction are employed in high-productivity sectors. This points to an **inefficient use of the nation's labor force** – effectively, millions of people are working hard but getting little in return because they lack the tools, training, or environment to be highly productive. Correcting this mismatch is perhaps Nigeria's greatest opportunity to boost total output.

Labor force distribution: According to surveys, about **36% of Nigeria's labor force is employed in agriculture,** predominantly smallholder and subsistence farming. Yet agriculture accounts for only roughly **22–24% of Nigeria's GDP**. By contrast, the **services sector contributes about half of GDP**, and industry (including oil, manufacturing, and construction) accounts for the remaining ~25-30%.

However, these non-agricultural sectors employ a smaller share of workers – formal industry in particular might employ on the order of only 10-15% of the workforce. The chart below illustrates this gap between employment and output by sector:

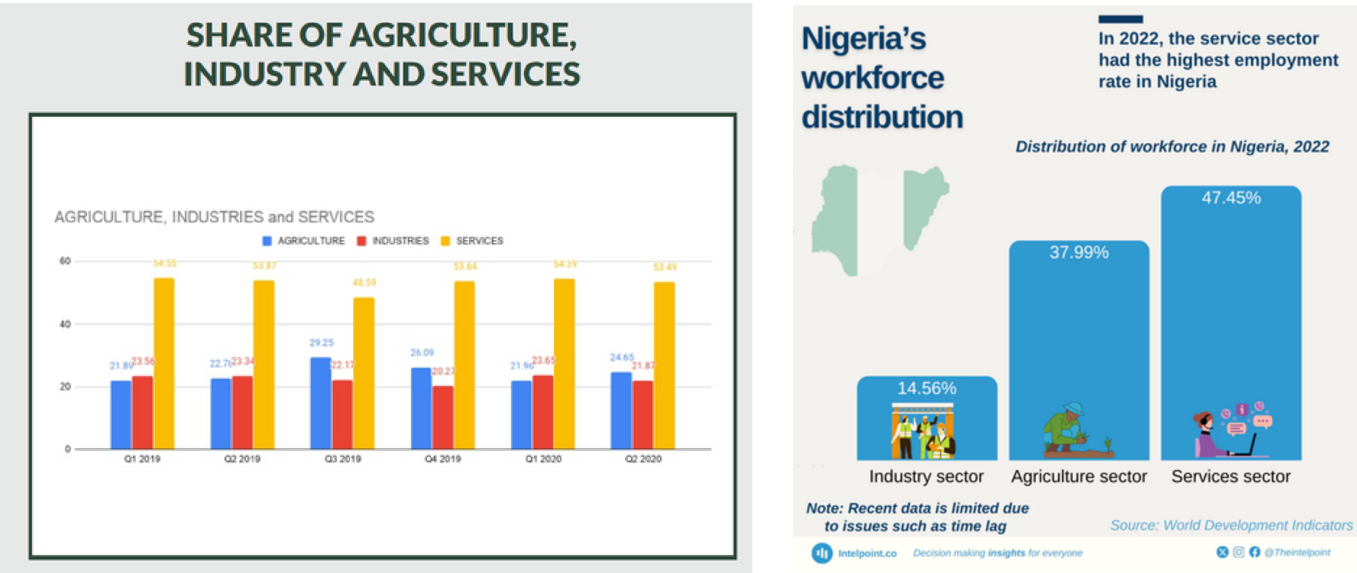

Figure: Sector Contribution to GDP vs. Share of Employment in Nigeria (circa 2020). Agriculture engages over one-third of workers but produces only about one-fifth of GDP, indicating very low output per worker. Industry (including oil & gas and manufacturing) produces a substantial share of GDP with a relatively small labor force, reflecting higher capital intensity and productivity. Services contribute roughly half of GDP and employ about half of workers, showing closer parity. Data source: NBS and World Development Indicators.

The implications of this structure are profound. In agriculture, **productivity per worker is only a fraction of the national average** – by one estimate, an agricultural worker in Nigeria produces on average **less than 60% of the output of an average Nigerian worker,** while someone in industry produces several times the national average output per worker (due largely to the capital-intensive nature of oil and gas). This is not because Nigerian farmers are lazy; on the contrary, many work extremely hard physically. The low output is due to **limited mechanization, inadequate inputs (like fertilizer, irrigation), poor infrastructure (to get goods to market), and insufficient knowledge or adoption of best practices.** For example, a farmer tilling a hectare by hand or with a hoe will inevitably produce far less than one with a tractor – perhaps only a few hundred kilograms of grain versus several tons. Similarly, without access to modern storage or processing, much of the harvest is lost. Shocking figures show that Nigeria suffers **post-harvest losses of up to 40-50% in many crops** (especially perishables) – for instance, roughly "*50 percent of agricultural produce is lost in the food supply chain*" due to spoilage and waste. This kind of inefficiency means that even when agriculture produces a decent gross output, a huge portion never translates into value for farmers or food for consumers. It is akin to the situation described in the original text where *"half our food is wasted"* – indeed, in Nigeria's case this is literally true for some segments of the farm sector.

On the other hand, Nigeria's **industrial and modern sectors are underpopulate**d relative to their potential output. Oil and gas, which historically contribute around 8-10% of GDP (depending on oil prices), employ only a tiny sliver of the workforce directly (well below 1%) – a classic example of a high-capital, high-output sector. Manufacturing and services like finance or telecom also generate significant value with comparatively few highly skilled workers (e.g. banks, tech companies). The challenge is that these sectors, while more productive per person, have not expanded quickly enough to absorb the labor released from traditional farming or the 3+ million new entrants to the labor market each year. Thus we have simultaneously **underemployment and unemployment** – a large number of Nigerians (especially youth) are either without jobs or engaged in informal micro-activities that add little value. The National Bureau of Statistics' last comprehensive labor survey (2018) showed unemployment and underemployment combined to over 40% of the labor force, and informal "household enterprises" (like one-person trading or crafts) accounted for about 37% of employment. These informal service jobs often involve long hours (for example, street trading or motorcycle taxi driving) but low productivity due to fierce competition and minimal capital.

The principle that emerges is the same one articulated more than a century ago: "*The last man or woman whom you discharge…is the one earning the most; the first to be discharged is the one whose hand and brain are not fully developed together, and who can, in hard times, no longer render you a service even if paid a bare minimum*." In Nigeria, when an employer – say a factory owner – faces a downturn, they will retain the most productive, skilled workers and lay off the least productive. On a national scale, Nigeria's economy has effectively **"laid off" a huge portion of its labor force into subsistence agriculture or joblessness,** because those workers were not productive enough in the modern sector. This is a harsh reality: **it is not lack of work ethic but lack of productivity that marginalizes many workers.** To re-employ and fully utilize Nigeria's abundant labor, we must **raise their productivity** through better education and by equipping them with capital (tools, machines, infrastructure).

Capital deepening and technology: Capital – in the form of machinery, equipment, and infrastructure – allows each worker to produce far more. The original text noted that *"the more effective the capital in the form of machinery, the less the number of persons required, the higher the wages"*. While it may seem counterintuitive, introducing labor-saving machines can actually **increase overall employment and wages in the long run** by lowering production costs, expanding output, and making products more affordable (thus creating demand that leads to business expansion).

In Nigeria, there are myriad opportunities for **mechanization and modernization**. For example:

- In agriculture, Nigeria's **tractor density is extremely low (about 0.27 horsepower per hectare, far below the FAO's recommended 1.5 hp/ha),** and many farmers still thresh grain or harvest crops manually. Expanding access to tractors, harvesters, irrigation pumps, and processing equipment could multiply farm productivity. One day of a mechanized combine harvester can do the work of many dozens of laborers – freeing those laborers to pursue other higher-value activities and simultaneously yielding more food per hectare.

- In manufacturing, a skilled worker operating a modern machine tool or assembly line can produce in an hour what a cottage industry might produce in a week. For instance, a single textile mill machine can handle spinning or weaving that would otherwise occupy hundreds of hand-loom weavers. Without such machines, industries cannot scale. This partly explains why certain goods are not produced in large quantity in Nigeria: **the cost of manual production is too high** to compete with imports made in automated factories abroad. We see this in sectors like textiles, where Nigeria grows cotton but has limited garment manufacturing – as the original text put it, *"the fabric may be of extremely high cost because of the amount of labor or arduous conditions under which it is conducted"*. By adopting automation and modern industrial methods, Nigerian firms could lower costs and increase output, enabling them to pay higher wages yet still be competitive.

- In services, technology is equally vital. For example, moving from cash-based, paper-heavy processes to digital systems can dramatically increase efficiency in banking, retail, and public administration. Nigeria's burgeoning fintech sector shows how leaps in productivity are possible: a mobile app can enable one educated employee to service hundreds of customers online, whereas a traditional setup might require many clerks and agents to achieve the same.

It is worth noting that **Nigeria's infrastructure is a form of capital that critically affects labor productivity across all sectors.** Electricity is a prime example: the average Nigerian business faces frequent power outages and often relies on generators. This massively increases the cost of production (diesel generators are far less efficient than grid power) and reduces output (machines idle during blackouts). Estimates suggest that unreliable power costs Nigeria several percentage points of GDP annually in lost production. **Access to reliable electricity is directly correlated with higher firm productivity,** and currently only about 55-60% of Nigerians have access to electricity at all (with many of those facing limited supply).

Over **85 million Nigerians lack any electricity access**, meaning they are effectively shut out of many modern productive activities after dark or for operating any electrical machinery. Similarly, poor roads and transport raise the cost of moving goods, so farmers can't get harvests to market before they spoil, and factory owners find their inputs and outputs delayed or damaged. These infrastructural deficiencies act like a weight, dragging down the output of each worker far below what it could be under better conditions.

The waste of resources: The original text lamented various forms of waste in the economy – from poorly sawed lumber to inefficient steam engines – and much of that is evident in Nigeria as well. Consider a few parallel examples:

- **Energy inefficiency:** Nigeria's use of fuel is highly inefficient. Many vehicles and generators are old and poorly maintained, burning far more fuel than necessary for the work done. For instance, a typical small generator (the kind ubiquitous in Nigerian shops and homes) might convert only 15-20% of the fuel's energy into electricity, wasting the rest as heat and noise. The text's example that *"the steam-engine and boiler wastes nine-tenths of the fuel"* is only slightly exaggerated for the case of many Nigerian generators. Investing in modern energy technology (efficient power plants, solar panels, better engines) would allow Nigeria to do the same work with a fraction of the energy input – effectively boosting productivity by cutting cost per unit of output.

- **Transportation inefficiency:** In Nigerian cities, you often see large, empty or half-empty trucks on the road, and many cars carrying just one person through traffic jams. The logistics system is fragmented and inefficient. The original author pointed out that in a train, *"only one pound in a hundred is paying load, the rest is dead weight of cars and engine."* Similarly, in Nigeria's freight sector, due to poor rail infrastructure, we rely on millions of individual truck trips over bad roads, with huge waste in fuel and time (and many accidents). A more efficient logistics network – say, functional rail lines and organized trucking hubs – could cut these wastes drastically, moving the same goods with fewer trips and less human effort.

- **Human capital underutilization:** Perhaps the greatest waste of all i**s the waste of human talent.** Many educated Nigerians cannot find jobs that use their skills, and many more lack the education they need to be fully productive. Nigeria has an estimated **human capital index of just 0.36,** meaning future workers are expected to be only 36% as productive as they would be under complete education and health circumstances. This is one of the lowest figures globally.

It implies a vast pool of potential productivity is simply lost – akin to having a sophisticated machine and only using a third of its capacity due to poor maintenance or programming. Every child that doesn't get adequate schooling, every brilliant youth that emigrates due to lack of opportunity ("brain drain"), is an economic loss to Nigeria. As the original text argued, "each needs what the other can produce; and in the exchange of service between the States, free and unrestricted, both are made more prosperous." We can apply that internally: each Nigerian state or region has talents and resources that, if freely exchanged and combined, could benefit the whole nation. But issues like insecurity and poor education restrict that exchange. For example, conflict in the Northeast prevents farmers there from producing at capacity; lack of education in parts of the North and South South leaves many young people ill-prepared to take on skilled jobs. Thus, improving human capital and ensuring peace and mobility across the country would significantly raise the effective labor force participation in productive work.

In summary, Nigeria's economy today vividly illustrates the general principle that **productivity depends on the effective combination of labor (people's effort and skill) and capital (tools, machines, infrastructure)** under conducive conditions. When either component is lacking or misallocated, output suffers. **Nigeria has abundant labor and significant capital on paper (billions of dollars invested in oil infrastructure, some industries, etc.), but the match between the two is poor.** Too many workers operate with too little capital (e.g. farmers without machinery), and some capital operates with too few skilled workers (e.g. factories running below capacity due to lack of trained technicians, or power plants idle for lack of gas supply). The solution is to **both increase the quantity of capital per worker (capital deepening) and improve the quality of labor (through education and health),** while **removing the waste and inefficiencies that act as a wedge between effort and output.**

The payoff for doing so is immense. If a Nigerian farmer who today produces 1 tonne of maize could produce 4 tonnes with the help of machinery and better inputs, they could earn more and also potentially lower food prices. If a Nigerian construction worker who today spends hours mixing concrete by hand had access to a mixer and better training, they'd build more infrastructure in the same time (addressing our infrastructure gap faster). If an entrepreneur in Aba or Kano who struggles to power their business with a generator could get reliable electricity and a small loan to buy modern equipment, they might expand production and hire more workers. These are the micro-level changes that aggregate to macro-level growth.

Crucially, h**igher productivity will translate into higher wages only if markets are competitive and workers have the skills to capture those gains.** In a competitive environment, companies that become more efficient can scale up, paying workers more to attract or retain the talent they need, and still earn healthy profits. In Nigeria, creating that dynamic means ensuring there is enough competition (so that no single employer can suppress wages unduly) and enough **skill development** (so that workers can perform higher-value tasks and command higher pay). We turn next to the role of government policy – both in avoiding harmful "destructive" interventions and in actively providing the public goods that enable this virtuous cycle.

The Role of Government: Constructive Investment vs. Destructive Expenditure

No discussion of Nigeria's economy can ignore the central role of government policy. The state influences productivity in two major ways: through its **fiscal policy (taxing and spending)** and through its **regulatory and security environment.** The original text made a sharp distinction between *"constructive work which the state can perform better than the individual" and expenditures that are essentially wasteful or "destructive"* in economic terms. Let's apply this framework to Nigeria's situation.

Taxation and Revenue

Nigeria's government has historically collected **very low tax revenues relative to the size of its economy.** In 2023, total revenue was only **9.4% of GDP** – *"one of the lowest ratios… in the world",* as the IMF mission chief noted. By comparison, peer African countries often collect 15-20% of GDP in taxes, and advanced economies collect well above 30%. While low taxes might sound like an advantage to businesses and individuals in the short run (indeed, Nigeria's formal sector enjoys a relatively light tax burden), the downside is that the **state lacks the resources to provide essential public goods** – things like roads, schools, healthcare, and security – that private individuals cannot efficiently provide on their own. The IMF explicitly warned that such a low revenue take means *"the government has too few resources for spending on health, education, infrastructure, etc."*. In other words, Nigeria's **freedom from heavy taxation has not been an advantage but rather a vulnerability,** because it's accompanied by a lack of government capacity.

To be sure, the solution is not simply to raise taxes arbitrarily – it matters **how** revenue is raised and **how** it is spent. The principle of "freedom from destructive taxation" from the original text is relevant: taxes should not unduly **penalize**

productive activity or siphon away the rewards of labor and capital into unproductive uses. Nigeria needs to broaden its tax base (for instance, improving compliance on Value Added Tax and income taxes, which are notoriously low) and reduce leakages, but it must do so in a way that **funds productive public investment rather than fueling corruption or excessive bureaucracy.**

Currently, one could argue Nigeria has the worst of both worlds: th**e informal sector and elites often evade taxes,** while those in the formal sector (especially salaried workers and a few large companies) shoulder a disproportionate burden, and yet the public services delivered in return are inadequate. This breeds resentment and low compliance – a vicious cycle. The way out is to **build trust by visibly channeling revenues into "constructive work**" that benefits the economy broadly. When people see their taxes result in better roads, reliable power, and quality education, they are more willing to pay, and the productive dividend of those services actually enlarges the tax base over time (as businesses grow and incomes rise).

One major change underway is the **removal of the petrol subsidy** in 2023, which President Tinubu's administration implemented. This was a bold step toward eliminating what had become **a massive, distortionary expenditure.** In 2022, as noted earlier, the national oil company NNPC spent about **₦4.39 trillion (nearly $10 billion) on fuel subsidies – roughly 2.2% of GDP** or about a quarter of the federal budget. This subsidy artificially kept petrol prices low for consumers, but at an enormous cost: it drained government coffers, crowded out spending on infrastructure and social services, encouraged smuggling (subsidized fuel being taken to neighboring countries), and disproportionately benefited wealthier urban consumers who use more fuel. In effect, it was a textbook case of "destructive" use of revenue – money taken (implicitly, through oil earnings that could have gone to the treasury) and **poured into an economic black hole** that neither generated new wealth nor reached the poor effectively. By removing the subsidy, the government has freed up resources that can be redirected. However, this comes with short-term pain (fuel prices have roughly tripled, contributing to inflation), so it is crucial that the savings are indeed used for **constructive projects** and targeted relief for the vulnerable. The administration has promised to reinvest subsidy savings in infrastructure like public transportation and to provide cash transfers to the poorest to mitigate the impact. If executed faithfully, this could turn a destructive expenditure into an opportunity – essentially swapping a recurring consumption expense for one-time investments that improve productive capacity.

Public Investment and Expenditure

"Constructive work" of government, as described in the classic text, includes things like **building roads, maintaining schools, running postal services, providing justice and security** – functions that either cannot be done by private actors at all, or not as well. In Nigeria, the need for such public goods is immense. For example:

- **Transport infrastructure:** Nigeria's road network is extensive but in poor condition; there are few functional rail lines; ports are congested. Public investment in these areas could **"integrate the domestic market, creating new opportunities"** – as the World Bank notes, better transport would allow farmers in one region to sell to consumers in another, and manufacturers to source materials and ship products more efficiently. The return on investment for fixing highways or railways is high in terms of productivity gains for the whole economy. Yet government capital spending on transport has been relatively low and plagued by cost overruns and corruption in the past. A reorientation of the budget to prioritize capital projects, alongside improved procurement processes, is needed.

- **Energy and power:** Providing reliable electricity is arguably the single most transformative thing the Nigerian state could do for the economy. It lies in the domain of "constructive work" because power grids are natural monopolies and require coordinated large-scale investment. The private sector alone has struggled to deliver affordable, reliable electricity (the partial privatization of distribution companies has not yielded the hoped-for results, partly because of structural issues like tariffs and theft). The government can play a role in catalyzing investments in generation (e.g. through public-private partnerships in gas power plants or renewables) and in transmission and distribution upgrades. Every naira spent on stabilizing power supply likely yields many naira in increased output from businesses currently hampered by outages.

- **Education and health:** These are long-term investments in human capital. Nigeria's public spending here is relatively low (education often 5-7% of the budget, health even less), and outcomes are correspondingly poor (as seen in literacy rates, school completion, and health indicators). Yet, as the original text insightfully pointed out, *"each of these institutions is the complement of the other – here you have visible results of science applied to useful ends… there you have the means by which you can aid in the development of this great work of uniting brain and hand together"*. Nigeria can learn from that wisdom by **strengthening institutions that combine practical skills with scientific education** – for example, technical colleges, vocational training centers, and research institutes that work closely with industry.

The mention of the Massachusetts Institute of Technology (MIT) in the original text, and how it was funded by industrialists to advance practical science, is a model Nigeria could emulate. In recent times, we see some movement in this direction: there are initiatives to establish more **technical universities and to revamp polytechnics,** and industries (like Dangote Group) have funded training academies. Government policy can support these by matching grants or including such programs in budgets, recognizing them as high-return investments. An educated, skilled workforce will attract industries and raise productivity dramatically.

- **Security and rule of law:** Without security, economic activity grinds down. Nigeria has faced serious security challenges – insurgency in the North-East, banditry and kidnappings in the North-West, militant activity in the Niger Delta in the past, and communal clashes in various regions. Spending on security forces is a necessary government function, but it can become "destructive" if it's merely consuming funds without resolution in sight (much like the standing armies in Europe that the original text criticized, which drained resources without producing). Nigeria spends a significant chunk on military and police, yet insecurity persists, implying inefficiencies. **Reforming security institutions** to be more effective (better training, equipment, intelligence) would not only save lives but also boost economic confidence – farmers will plant more if they aren't afraid of attackers, businesses will invest in troubled regions if kidnappings abate. So, while security spending is consumption in economic accounting, it has a multiplier effect if it creates a safe environment for production.

The critical point is that **public expenditures must be weighed by their contribution to future productive capacity.** Expenditures like excessive government overhead (too many political appointees with high salaries, or maintaining white-elephant government facilities) are akin to the "idle men gathered for the work of destruction" in the text – they take resources but yield no increase in output. Nigeria's budget has been burdened by a high recurrent component (administrative costs, salaries, subsidies) which often exceeds 75%, leaving less than 25% for capital projects. This is gradually changing under reform pressure, but tough choices (like civil service reforms or cutting wasteful schemes) are required to tilt spending towards the constructive side.

Regulation and Free Exchange

Beyond spending, how the government **regulates economic activity** also affects productivity. The original speech extolled the United States for free internal trade among states and relatively fewer restrictive statutes on individuals. Nigeria, as a federation of 36 states, also has constitutionally free trade internally – no state customs posts or tariffs on goods moving within the country – which is beneficial. However, in practice, there are **informal barriers:** for example, trucking goods across Nigeria can encounter many police and customs checkpoints (ostensibly to intercept smuggling, but often extracting bribes) which act like internal tariffs and delays. Also, differences in regulations (say, some states banning open grazing of cattle while others don't, or varying sales tax rules) can create friction. Harmonizing and enforcing **truly free movement of goods and people within Nigeria** would help leverage the country's large single market. It is encouraging that the government has been investing in road infrastructure and also signed onto the African Continental Free Trade Agreement (AfCFTA) – signaling an openness to trade. Reducing trade barriers, as the World Bank suggests, could spur productivity by exposing firms to competition and enabling **access to cheaper inputs and new markets.**

Another regulatory area is the **business climate**. Constraints like difficulty in registering property, getting construction permits, accessing credit, or dealing with complex import/export procedures all sap entrepreneurs' time and resources, effectively lowering their productivity. Nigeria has made some progress on ease of doing business indices in recent years (for instance, faster registration of businesses), but it still ranks relatively low globally. Streamlining these processes and removing obsolete laws is akin to removing "statutes under which the liberty of the individual is restricted" – allowing individuals to focus their energies on productive activities rather than navigating bureaucracy. Additionally, enforcing contracts and property rights through a sound judicial system is vital so that businesses can operate with confidence. If a farmer fears their land might be grabbed, they won't invest in improving it; if an inventor fears their idea will be pirated with no legal remedy, they won't innovate. Thus, the **rule of law** underpins productivity, and government is the provider of that.

Corruption and Rent-Seeking

A frank discussion must mention corruption – a form of destructive economic leakage. When public officials embezzle funds meant for a power station or demand kickbacks that raise the cost of construction, scarce resources are wasted and projects are left incomplete or low-quality. This is equivalent to a tax that yields no public good – truly destructive. Combating corruption in Nigeria is challenging but remains a top priority for improving outcomes of any investment. Mechanisms like greater transparency, e-procurement, and civic oversight (the press and civil society keeping watch) can help ensure that "what is collected in taxes is actually spent on the people."

One might recall from the original text the admonition that doing for **others what they can do for themselves can be dangerous or only palliative.** This can be applied as a caution in government intervention: policies should aim to empower people to help themselves (through providing enabling conditions), rather than fostering dependency. For example, direct state provision of jobs in an inefficient manner (just to reduce unemployment statistics) could be counterproductive if those jobs don't actually create value – it's better to create conditions for the private sector to generate sustainable jobs. Likewise, perpetual reliance on imports and aid for basics that Nigeria could produce (food, fuel before the refinery comes online, etc.) keeps the country from building capacity. Thoughtful policy would strike a balance: help the vulnerable (through targeted transfers or social programs) but primarily by equipping them to eventually participate in the productive economy (through training, initial capital, etc.), rather than indefinite handouts. This philosophy resonates with the line: *"To do unto others as you would be done by, is to help others to help themselves; all else…can only palliate the evils and wrongs of a day"*. In Nigerian policy, this suggests that while humanitarian relief is important (e.g., for displaced persons or the extreme poor), the long-term strategy must be to integrate those people into **productive work** – for instance, a cash transfer program should ideally be coupled with an exit strategy like enrolling recipients in skills acquisition, so they can eventually earn their own income.

In conclusion of this section, government's role in Nigeria's productivity story is pivotal. By **avoiding destructive taxation and spending – such as huge subsidies, bloated payrolls, and policies that hinder trade – and by focusing on constructive investments and good governance, the state can enable the private sector to thrive.** Nigeria is already taking steps in this direction with recent macroeconomic reforms. Staying the course will require discipline and patience, but the rewards in terms of higher productivity growth could be significant. A more effective state, in partnership with a dynamic private sector, can jointly deliver the conditions for Nigeria's vast labor and capital endowment to be used at its best.

Human Capital Development: Combining "Head and Hand" for Higher Productivity

The original text we are modernizing ended on a powerful note about the importance of **educating the populace and uniting knowledge with practical skills.** For Nigeria, this message is more relevant than ever. Up to now, we have discussed physical capital and economic policies; here we turn to human capital – the education, skills, and health of Nigeria's people – as the ultimate engine of productivity.

Nigeria's young population presents a double-edged sword. On one side, it is a huge opportunity: a **demographic dividend** whereby a large working-age population can drive economic growth, as seen in countries like China or Vietnam in their high-growth periods. On the other side, if that workforce is not healthy, educated, and employed in productive work, it can become a source of instability and persistent poverty. Unfortunately, Nigeria currently risks the latter outcome, as shown by the Human Capital Index of 0.36 (meaning 64% of potential is lost). The question is how to reverse this and equip Nigerian youth to be a **productive powerhouse.**

Education and Skills

Despite improvements over the decades, Nigeria's **educational system struggles in both access and quality.** Literacy among young adults is far from universal, especially among females in the northern states. Many children are out of school (Nigeria has one of the highest numbers of out-of-school children globally), and even those in school often perform below grade level in reading and math. At higher levels, while there is a proliferation of universities, employers often complain of graduates lacking practical skills required in the workplace. This is precisely the gap between "the instruction of the head" and "the instruction of the hand" that the original text highlighted. Bridging this gap requires curriculum reforms and investment in technical education.

Encouragingly, there are examples to build on. Nigeria has institutions like the Yaba College of Technology, Kaduna Polytechnic, and others which focus on technical training. However, they often lack funding, modern equipment, and sufficient industry linkage. The government and private sector could collaborate to upgrade these institutions – much like the manufacturers and industrialists in Massachusetts supported MIT in its early days. In fact, we see some parallels: initiatives like the **Industrial Training Fund (ITF)** and various sector skills councils are trying to align training to industry needs. These should be scaled up. Every region of Nigeria would benefit from a well-resourced technical institute that can train engineers, technicians, electricians, agricultural extension officers, etc., with the latest knowledge. Equally, basic education must not be neglected: without strong primary and secondary schooling (especially in science, technology, engineering, and math), the pool of students qualified for advanced technical training remains limited. It is positive that some states have started prioritizing education spending, even in the North where historically it lagged – reminiscent of how the post-Civil War American South boosted education to catch up, as noted: "the South to-day is even in advance of the North in the motive which she is making to promote the education of her children of both races". Nigeria's North East and North West have in recent years launched programs to integrate Western education with traditional Qur'anic schools (to reduce resistance) and are trying to increase girl-child enrollment. These efforts should continue and expand, because **educating girls is one of the highest-return investments** (it leads to lower fertility, better child health, and a more productive female workforce).

Another aspect is **entrepreneurial and managerial skills.** Many Nigerians are entrepreneurial out of necessity, but scaling businesses requires knowledge in finance, marketing, and management. Supporting training programs for SMEs – for example, via government extension services or partnerships with organizations like SMEDAN (Small and Medium Enterprises Development Agency) – can improve the survival and growth rate of businesses, thereby creating more jobs. When the original text speaks of *"developing hand and head together in their application to useful service*", it implies not just formal education but also practical problem-solving and innovation. Nigeria's youth have shown an aptitude for innovation, evident in the tech startup scene in Lagos and elsewhere. Providing platforms for innovation (hubs, incubators, research grants) and protecting intellectual property will encourage more young Nigerians to create productivity-enhancing solutions – whether it's a new farming technique, a process to reduce food waste, or software that streamlines supply chains.

Health and Nutrition

Often overlooked in productivity discussions is the role of health. A workforce that is frequently ill or stunted from malnutrition in childhood cannot perform at its best. Nigeria has issues with malaria, other infectious diseases, and in some areas, malnutrition. Investments in **basic healthcare, sanitation, and nutrition programs** have high payoffs. For instance, reducing malaria incidence by widespread mosquito net distribution and community health workers can significantly increase worker attendance and child school attendance (a healthier child learns better). Similarly, addressing childhood stunting (which affects a sizable percentage of children in Nigeria) is crucial – stunted children often grow into less productive adults. These health measures are part of human capital development. In economic terms, spending on vaccines or clean water is as much a productivity investment as spending on machines, because it preserves the human machine.

Retaining Talent and Reversing "Brain Drain"

One concern is the emigration of skilled Nigerians. Doctors, nurses, engineers, and academics have been leaving in large numbers, seeking better opportunities abroad. This "brain drain" is a loss of productivity for Nigeria – it's as if we invested in training someone and another country reaps the benefit of their work. To stem this, Nigeria needs to create conditions that **incentivize talented individuals to stay (or return).**

That means ensuring competitive pay in critical sectors, a safe environment, and a sense that things are improving. Some countries have had success with specific returnee programs – perhaps Nigeria could have an initiative to attract diaspora professionals back with special business startup support or academic positions. Even if not immediately, as governance and the economy improve, many diaspora Nigerians may be drawn back by patriotism and opportunity, bringing skills and capital that further boost productivity.

Demographics and Employment

As Nigeria's population continues to grow, simply creating enough jobs is a challenge. But if the above measures are taken, each job created will support more output and potentially support more dependents. The original author noted that in the U.S., they only needed a small army as "border police," whereas Europe had to have millions under arms – tying up manpower. In Nigeria, while we thankfully do not have millions conscripted in the military, we have analogies like millions engaged in redundant activities (e.g., multiple people employed as gatekeepers, drivers, or minor roles due to lack of better jobs, or youth on the streets hustling in low-value ways). By boosting the high-value sectors, those people can find more meaningful employment. The concept of a **"standing army" of unemployed can be turned into a productive army of builders, manufacturers, and service providers** if given the chance.

In labor economics, a measure of productivity is **output per hour worked**. If Nigeria can raise this metric through better tools and training, then even as population grows, each worker's contribution is higher, making it easier to support the non-working population (children, elderly). This is vital because Nigeria's dependency ratio (non-workers to workers) is still high due to many youths. But over time, if those youths become productive workers, the ratio will improve.

To encapsulate, **human capital is the foundation on which any improvement in physical capital or policy must rest**. A modern machine is useless without a knowledgeable operator; a progressive policy fails if there aren't competent civil servants to implement it. Nigeria's drive to improve productivity will succeed only to the extent that it invests in its **people's capabilities.** Each additional year of quality schooling, each skilled technician trained, each healthy child – these add up to millions of stronger "brains and hands" working in unison across the economy.

Conclusions and Strategies for Enhancing Nigeria's Productivity

Nigeria stands at a crossroads similar in essence to that described in the 19th-century economic treatise – how to harness the power of **capital, labor, and good governance** to achieve prosperity. The analysis above has drawn parallels between the lessons of that era and the realities of Nigeria today. The overarching conclusion is that **Nigeria's low productivity is not fate – it is a product of choices and conditions that can be changed with concerted effort and smart strategy**. By leveraging its strengths (a large domestic market, entrepreneurial people, rich resource base) and addressing its weaknesses (infrastructure gaps, human capital shortfalls, policy inconsistencies), Nigeria can set itself on a path of sustained growth in output and incomes.

The benefits of doing so would be far-reaching: higher real wages for workers, better returns for investors, reduced poverty, and an economy more resilient to shocks (because a diversified, productivity-driven economy is less vulnerable than one reliant on extracting and exporting raw commodities). Nigeria could truly "command the commerce of the world" in areas where it has comparative advantage – not just oil, but potentially agricultural products, light manufacturing, services (like Nollywood entertainment or fintech solutions) – if it attains the level of efficiency and quality needed to compete globally.

It is also worth noting the **regional leadership role** Nigeria plays. With the largest economy in Africa, Nigeria's success or failure affects the continent. High productivity and growth in Nigeria would provide a massive engine for West Africa's development, creating markets for neighbors and stability in the region. It aligns with the notion of preaching a "gospel of peace and plenty" – Nigeria, by lifting itself, can offer a template for other African nations, showing that it is possible to break the cycle of resource dependence and low productivity. In concluding, we distill the actionable strategies that emerge from this deep research, intended for policymakers, investors, and stakeholders.

Actionable Strategies and Recommendations

- **Invest Aggressively in Infrastructure:** Prioritize spending on power, transport, and irrigation infrastructure. For example, complete critical road corridors, modernize ports, expand the national power grid and off-grid renewable solutions, and revive railways. Improved infrastructure will lower transaction costs and enable businesses across all sectors to be more productive. Public-private partnerships can be utilized, but the government must create an enabling environment (clear regulations, guarantees as needed) for private capital in infrastructure.

- **Improve the Business Climate and Encourage Competition:** Simplify and digitize business processes (company registration, tax filing, customs clearance) to reduce the time and cost required to do business. Enforce anti-corruption measures in routine interactions. Strengthen competition policy so that no sector is stifled by monopolies or cartels – competition will spur firms to adopt productivity-enhancing innovations. Joining the AfCFTA framework wholeheartedly can open export markets but also expose local firms to needed competition.

- **Mobilize Capital for Productive Use:** Increase domestic resource mobilization by broadening the tax base in a fair manner – for instance, improve VAT collection and close corporate tax loopholes – and ensure those funds are directed to development priorities, not swallowed by bureaucracy. Simultaneously, pursue policies that attract foreign direct investment into sectors like manufacturing, agro-processing, and technology (stable exchange rate management, investment incentives in priority sectors). Promote financial sector development to increase credit to the private sector (which is currently only ~22% of GDP) by improving credit infrastructure (credit bureaus, collateral registries) and encouraging banks to lend to SMEs.

- **Enhance Agricultural Productivity:** Launch a national drive to modernize agriculture. This should include subsidizing or financing the acquisition of farm machinery (possibly through cooperatives or service centers that rent equipment to small farmers), expanding rural feeder roads and storage facilities (silos, cold storage), and disseminating improved seed varieties and farming techniques through extension services. Reducing post-harvest losses – currently around 40-50% in many crops – is a low-hanging fruit for boosting effective output. By moving up the value chain (e.g., encouraging food processing industries domestically), Nigeria can also increase the value derived from its agriculture.

- **Drive Industrialization and Diversificati**on: Identify a few key industries where Nigeria has a comparative or competitive advantage (such as agro-allied industries, textiles/garments, building materials, petrochemicals, automobiles assembly, etc.) and support them through cluster development, export processing zones, or industrial parks with reliable infrastructure. Provide targeted support but avoid blanket protectionism – instead, tie any incentives to performance (like job creation or export targets). By growing the industrial base, Nigeria will create higher-productivity jobs for its growing urban population and reduce over-reliance on imports.

- **Focus on Education and Technical Skills:** Substantially increase funding to education, but equally important, **reform how education delivers skills.** Update curricula to include practical problem-solving, digital skills, and entrepreneurship. Scale vocational training and apprenticeships in partnership with industries (for instance, a program to train tens of thousands of electricians, plumbers, and solar technicians to not only boost employment but also improve services). The goal should be that a child in Nigeria today receives an education that makes them at least 70-80% as productive as they could be if global best practices were applied (up from the current 36%). This will involve improving teacher quality, accountability, and learning outcomes, not just building schools.

- **Strengthen Health and Social Protection:** Roll out basic healthcare initiatives (immunization, maternal care, malaria prevention) and nutrition programs (especially for children) to secure a healthy workforce for tomorrow. A healthier worker is a more productive worker. Additionally, maintain or expand targeted **social programs for the poorest** – such as conditional cash transfers or public works employment – to ensure that as reforms (like subsidy removal) take place, the most vulnerable can cope. These should be seen as transitional support to enable everyone to participate in the growing economy, not permanent subsidies for inactivity.

- **Maintain Macroeconomic Stability:** High inflation and volatile exchange rates are enemies of productivity because they create uncertainty and erode purchasing power. Continue the recent trajectory of responsible monetary and fiscal policy – keep inflation in check (e.g., via appropriate interest rate policy and avoiding excessive money printing), and ensure exchange rate policy reflects market realities to encourage investment (the unification of the exchange rate in 2023 is a step in the right direction). A stable economic environment is the soil in which productivity improvements can take root, as investors will be more willing to commit to long-term projects and workers can plan for the future.

- **Promote Innovation and Technology Adoption**: Encourage the adoption of new technologies through incentives and building digital infrastructure. Expand internet access nationwide (which enables e-commerce, e-learning, and remote work opportunities). Support startups and innovation hubs; consider tax breaks or grants for firms that invest in R&D or implement productivity-enhancing technologies (e.g., an agro firm that sets up a modern processing line, or a logistics company that builds a smart distribution system). Nigeria's tech sector has shown that given the chance, local innovations can leapfrog traditional problems (for example, mobile money solutions bypassing weak banking). Such innovations should be nurtured across all sectors.

- **Good Governance and Accountability:** Underpinning all these strategies is the necessity of improved governance. Strengthen institutions that fight corruption (anti-graft agencies, judicial reforms to speed up trials), and increase transparency (e.g., publish budgets, contract awards, and project status publicly). Devolve more responsibilities (along with resources) to state and local governments for localized solutions, but hold them accountable for results. Foster a culture in the public service that values efficiency and service delivery – possibly by measuring and rewarding performance. When the public sector becomes more effective, it not only directly improves things like project execution but also gains the trust of citizens and investors, creating a positive feedback loop.

By following these strategies, Nigeria can realistically set itself on a trajectory to double its productivity in the medium term. In doing so, it would validate the timeless economic insights we've adapted: that **when labor is skillful and paired with effective capital, and when government ensures an enabling environment rather than a burdensome one, the result is a larger national product that enriches everyone – workers and owners alike.** The journey will not be easy – reforms and investments take time to bear fruit – but the cost of inaction is far greater. In the words of the original author, *"we may assure [our children] the reward of the faithful steward, by developing hand and head together in their application to useful service."* Nigeria's future generations are depending on the decisions and actions taken now. With deep research, informed policy, and collective will, Nigeria can transform its economy from one of latent potential to one of kinetic growth, ensuring a prosperous future for its people and a lasting legacy of development.

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