

BUILDING AFRICA'S FIRST TRILLION DOLLAR ECONOMY

Patrick O. Okigbo III in conversation with Jude Uzonwanne

Development Discourse is a Nextier Public Policy Discourse Series

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BUILDING AFRICA'S FIRST TRILLION DOLLAR ECONOMY

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Wed. Mar. 20, 2024 3:00^{PM} – 4:30^{PM} (WAT)



Upcoming Sessions



Patrick O. Okigbo III
Founding Partner,
Nextier
Host



Jude Uzonwanne
Author, *The First Trillion*
Board, MyMD Pharmaceuticals
USA
Speaker



**Dr Tayo
Aduloju**
Chief Executive
Officer, The
Nigerian Economic
Summit Group.

**HOW TO
GROW
NIGERIA'S
ECONOMY**
April 03, 2024
3:00 – 4:30 (WAT)



**Obi
Asika**
Director General
National Council for
Arts and Culture
Co-Convener Africa
Soft Power Project

**THE HOW
OF ART AS
A GROWTH
DRIVER**
April 17, 2024
3:00 – 4:30 (WAT)

Building Africa's First Trillion-Dollar Economy

Africa's economic potential is significant but underutilised. Nigeria has the potential to lead the way towards a more prosperous continent and achieve a trillion-dollar economy within a decade. Is this a prayer or an achievable goal?

This edition of [Nextier's Development Discourse](#) explored "how!" How can Nigeria achieve economic prosperity? What critical reforms are necessary to accelerate economic growth, reform the political system, and position Nigeria as Africa's central economy? What valuable insights are available for investors, policymakers, and anyone interested in Africa's development? What is the detailed plan for entering the Nigerian market? What strategies should be adopted for success? Additionally, what tools do the people have to encourage their government to be responsive to these ideas?

[Patrick O. Okigbo III](#), the Founding Partner at Nextier, used this conversation with [Jude Uzonwanne](#), author of [The First Trillion: Disbelief, Arbitrage, and the Nigerian Dream](#), to discuss the strategic decisions, policies, and investments required to transform Nigeria into a trillion-dollar economy by the year 2034. Click [here](#) to watch the discourse.

ANNOTATED TRANSCRIPT

BUILDING AFRICA'S FIRST TRILLION DOLLAR ECONOMY

Patrick O. Okigbo III, in conversation with Jude Uzonwanne

March 20, 2024

Video: https://bit.ly/DevDiscourse_Africa_Trillion_Economy

Patrick O. Okigbo III: Ladies and gentlemen, welcome to the Development Discourse, where we ideate for Africa's development. I am Patrick Okigbo III, Nextier's founding partner. Nextier is a multi-competency advisory firm focused on solving the continent's complex development challenges.

Africa's economic potential is significant but underutilised. Nigeria, the largest economy on the continent, has the potential to lead the way towards a more prosperous Africa. My guest today insists that Nigeria can achieve a trillion-dollar economy within a decade. Is this a prayer or an achievable goal? How can the country achieve such a lofty goal?

Jude Uzonwanne is the author of [The First Trillion: Disbelief, Arbitrage and The Nigerian Dream](#). He primarily works as a corporate development advisor to African governments and Africa-focused investors and companies. An entrepreneur in spirit, Jude has helped found and grow several companies across multiple sectors, including Seatrade Africa, [SocketWorks](#) and The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending ([NIRSAL](#)), which will come up a lot in our conversations today. Before his current role, Jude held senior roles at [54 Gene Inc.](#), [ZS](#), [IQVIA](#), [Parthenon-EY](#), [Bain & Company](#), [The Bill and Melinda Gates Foundation](#), [Dalberg](#), and the [Central Bank of Nigeria](#). Jude began his career as a strategy consultant at Monitor Group, now known as [Monitor Deloitte](#). Jude graduated with honours in Economics and Political Science from [Swarthmore College](#). His early education was at Abadina Primary School, Emmanuel College, International School Ibadan and [United World College of the American West](#). Jude, welcome.

Jude Uzonwanne: Thank you very much, Patrick.

Okigbo: We have much to unpack, but let's start from the beginning. Writing a book is a labour of love. What motivated you to write this book, *The First Trillion, Disbelief, Arbitrage, and the Nigerian Dream*?

Uzonwanne: It was driven by a desire to unpack and explain Nigeria to domestic and foreign audiences and the burning desire to straighten many things in my head. Often, when you talk about Nigeria's potential, people don't believe it. It's like how people talked about Brazil as a country of the future. Over the years, as I encountered Nigeria, personally and professionally, I noticed many inconsistencies and felt compelled to address them. How personal experiences in Nigeria differ from official statistics and outsiders' perceptions is puzzling. So, it is an effort to bring this all together.

I wrote the first draft of the book in 2000, and it kept evolving. It's taken many forms. At some point, it became a book about the transformation of African economies. Then I pulled it back in again to Nigeria. And finally, last winter, I told my family I would lock myself away for two weeks and finish this. And I did. And here we go.

Okigbo: Congratulations. What is the book's central thesis?

Uzonwanne: The central thesis is that Nigeria can be a very wealthy country at the absolute and per capita levels. Wealth means a range of things, such as the ability to walk down the street safely, your income, and the possibility that your kids will have a better future than you, etc. Finance and economics experts often reduce wealth to per capita GDP (Gross Domestic Product), which is a useful proxy. However, it's important to consider other contributing factors as well.

How personal experiences in Nigeria differ from official statistics and outsiders' perceptions is puzzling.

The book's central idea is that building wealth in Nigeria is not difficult. Similarly, governing Nigeria is easier than former President Buhari believes it to be. It is easy to fix Nigeria if one has the right intentions and makes proper choices.

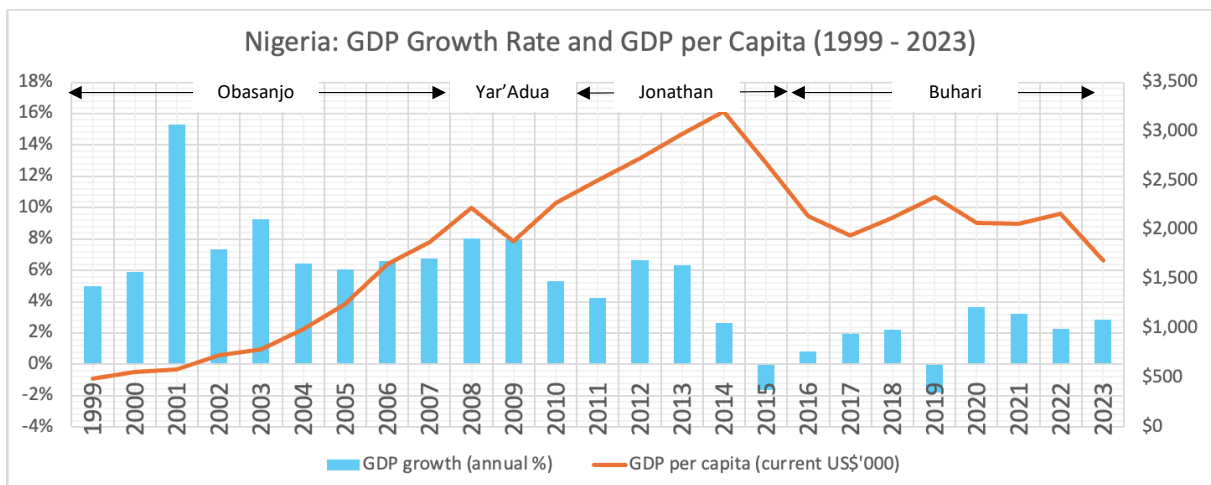


Figure 1: Nigeria economic indicators from 1999 to 2023 (Source: World Bank; Nextier)

I will give you an efficient example. I have been coming to Murtala Muhammad Airport for 30 years since I first went to boarding school in the United States in 1992. Astonishingly, the same problem persisted in the arrival hall for this period. This problem is encapsulated in the term, [Operational Research](#).

What is that problem? A specific number of flights and passengers land on any given night. You can do the basic arithmetic and say, if it takes me five minutes to process one passenger, first, you encounter the [DSS](#) (Department of State Services) officer who checks whether you are on a watchlist; second, you go to the immigration officer who checks your visa or passport. Estimate the time for steps one and two, divide the number of passengers by that time, and you can get a swift sense of the number of officers you need present to process passengers. If you estimate that nobody should spend more than 15 minutes clearing immigration, you can calculate the number of officers required.

Very few government officials have undertaken this necessary calculation to address the issues at Murtala Mohammed Airport, let alone the country's broader challenges. As a result, we

[Governing Nigeria] is not hard if you have the right intention and make proper choices

throw out large numbers that may sound amazing and like the government is offering generous palliatives—to use the term of the day—but it hides the fact that no one has taken steps to grasp the nature of the problem.

If you recall, for the last couple of months, President Tinubu and a few of his ministers have repeated the utter nonsense that the economy will become a trillion-dollar economy by 2026. I have told officials privately that not only does this show the administration's ignorance, but it also shows that no one inside the government is telling them that they are peddling nonsense. One of the first things we learnt in undergraduate economics is a simple calculation. If you want to determine how quickly an economy will double, divide by 72.

Okigbo: [The 72-rule](#)

Uzonwanne: Exactly. Divide 72 by the number of years or the growth rate you have in mind. The output is the time it will take to double. So, 72 divided by ten is 7.2. So that means if you are growing the economy at ten per cent per annum, you will double the income in 7.2 years. So, to double the income in two years, you need to grow the economy by about 35 per cent per annum, which is mathematically impossible.

Okigbo: Jude, this brings me to a section of your book where I had a bit of a challenge. Early in the book, you wrote – *“It is January 2027, and the Nigerian household is on the mend. Breadwinners are at work, and millions of children are receiving modern, innovation-enabling education in classrooms. Life expectancy is rising, driven by new annual wellness and disease prevention programmes targeted at heart diseases, stroke, diabetes, and cancer. Fathers and mothers stroll at night. And I like this part, taking comfort in each other's presence and marvelling at the buzz in well-lit streets.”*¹ And you go on and on. I didn't want this section to end. Then I remembered you are painting a picture of what could be. You published the book in 2023 after the elections. You study Nigeria and understand the challenges, yet you conjured up this picture for 2027. I want to hear what led you to believe this is possible and that we should take you seriously.

Uzonwanne: It is an aspirational statement. We published the book on January 4th or 5th, 2024. I anticipated that by June 2024, the government would have recovered from the series of inevitable crises. I hoped they would have taken decisive action to address the problem. In many ways, the opening chapter serves as a letter to the government and people of Nigeria to say that this scenario is not impossible. It is doable. I may have my political differences with the ruling party, but this is a problem that we can all solve together. However, strong leadership from the top is required to fix this problem.

Some members of the National Assembly are moving in that direction. Occasionally, we get a hint from the presidency via executive orders or comments that they may be stumbling towards

¹ Uzonwanne, Jude. *The First Trillion: Disbelief, Arbitrage, and the Nigerian Dream*. 2024, p. 5.

that answer, but let's be clear: the first place to begin is with law and order. Before you can have any further conversations about job creation, investment inflows, the productivity of

... we must get away from one of the big fundamental lies at the heart of Nigeria, which is that the federal system alone can solve all our problems.

labour or the inflow of capital, you have to start with what in the book I refer to as The Safe Nigeria Act (SNA).² SNA is an omnibus piece of legislation that says we must get away from one of the big fundamental lies at the heart of Nigeria, which is that the federal system alone can solve all of our problems.

In the book, I pointed to examples where the federal cabinet decides on local projects. I grew up in Ibadan, and for those familiar with the city, we have a water system called Oba Dam, which serves as the university's water source. Periodically, the federal cabinet has focused on projects such as the reconstruction of Oba Dam and similar ones around the country. That is madness, just to put it bluntly. The Safe Nigeria Act recommends devolving powers back to where they belong: the community. The University of Ibadan, the University of Nigeria at Nsukka, and Ahmadu Bello University should have their local police forces made up of people who live in those communities, understand their dynamics, and help save their society. Once laws are passed that permit law and order to become the responsibility of local communities, it allows various law enforcement agencies such as state police, local government police, city police, and university police to apply for policing authority from a new independent federal board that will grant the license. As a result, the Nigerian police force would become the federal police force and focus on federal crimes, anti-fraud, and similar matters.

Once you address this fundamental issue, significant growth will result from eliminating the risk of loss of life and property. Today, many farmers are unable to access their farms, whether in Ibadan, on the outskirts of Ilorin, Maiduguri, or Niger state. Today, many farmers are unable to access their farms, whether in Ibadan, on the outskirts of Ilorin, Maiduguri, or Niger state.

Until you fix the basic breakdown of law and order we have today, you can't have a productive conversation about investment, jobs and income growth.

Roughly one-third of Niger State is controlled by Islamic State West Africa Province (ISWAP) and Boko Haram. Niger, Benue, and Plateau are the three most important Nigerian states for food production. You cannot say that you expect a turnaround in food production or agriculture's contribution to Gross Domestic Product (GDP), which is still roughly about 24 to 25 percent when farmers cannot go to the farm. You have effectively constrained approximately a quarter of the GDP

because of security problems. Also, in urban areas and on interstate highways, kidnapping is a problem. Until you fix this basic breakdown of law and order, you cannot have a productive conversation about investments, jobs, and income growth.

Okigbo: I agree with you, and one of the things I found interesting about your book is how you situated the solution on a tripod. The tripod focuses on local economic advantages, a transformed security system, and an education system that powers an innovation-driven economy. Can you explain why this focus on 'local' is critical, and then talk a bit about how you defined education in the book? It is not just education for its sake but also education that empowers innovation.

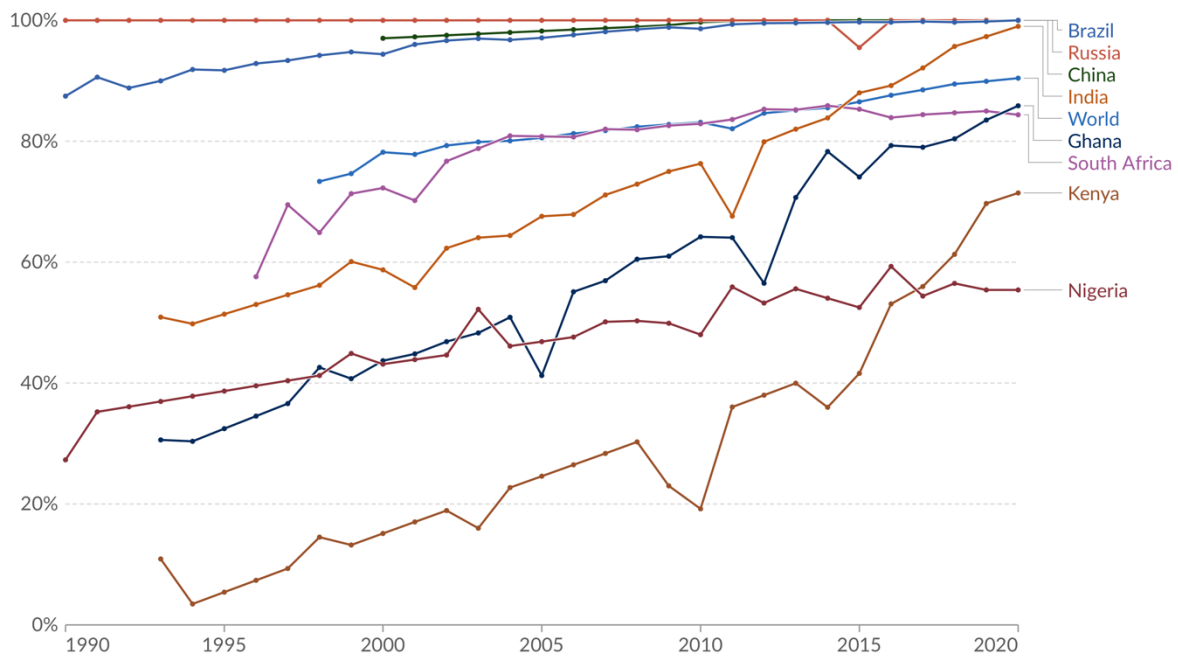
² Uzonwanne, Jude. The First Trillion: Disbelief, Arbitrage, and the Nigerian Dream. 2024, p. 11.

Uzonwanne: Absolutely. The importance of local communities comes from a reasonably basic fact. When any of us, as economic participants, go down the street to buy bread and akara or to your dry cleaners or the market, your financial activity is probably within 10 to 20 kilometres of your residence. All those folks in that perimeter are also shaping the dynamics. Most people are going 50 kilometres beyond. In that respect, all the decisions shaping your behaviour as a consumer, investor, or entrepreneur will immediately apply to your local community. If I had electricity today in my small corner of town, I would save up to buy a refrigerator. Then, two weeks after I purchased that refrigerator, I will probably go to the local market and buy more fish than I have purchased in the last decade because I have no fear that the fish will get spoilt. I will spend a little more money than I typically would. To use the fancy economics term, this accelerated [velocity of money](#) puts capital back into the economy and drives gain in productivity and, ultimately, wealth. Decisions made locally can quickly have a radical impact simply because the money is there. It is seen and has an effect.

Share of the population with access to electricity

Our World in Data

Having access to electricity is defined in international statistics as having an electricity source that can provide very basic lighting, and charge a phone or power a radio for 4 hours per day.



Data source: Data compiled from multiple sources by World Bank

OurWorldInData.org/energy | CC BY

Figure 2: Beyond its direct impact on livelihood, poor access to socio-economic infrastructure limits Nigeria's economic growth. The country is neither competitive against the BRICS nations (Brazil, Russia, India, China, and South Africa) nor its smaller peers in Africa (Kenya and Ghana).

It is not that federal money does not have an impact. It does if invested in productive things. The federal government can budget a hundred billion naira for road reconstruction. But if 90 percent of that money doesn't return to the local economy, then you have a real problem. This is one of the fundamental issues.

The bigger question is, who is responsible for ensuring we have a clear picture of what is happening at the local government? Today, irrespective of what most Nigerian governors

would say, they are violating the Constitution regarding local government autonomy. Many State Governors have captured the local governments and their financial flows. The local governments should receive their financial allocations directly from the federal government. This is not the case.

The preferred reform is a system where local governments generate revenues and make contributory payments to the Centre (Federal Government). But today, in the absence of accountability at the local government levels, the budgets disappear. The local government officials have no decision rights because the state governor handpicked most of them. These local government leaders are there to enable the theft of local government money.

Okigbo: Two stories, maybe and then a question. The first is from [Yuen Yuen Ang's](#) book, "[How China Escaped The Poverty Trap](#)".³ In China, the central government sets the red lines for stability and other crucial development aspirations. It lets loose the energy in the local communities, thereby fostering competition. The regions that perform better receive a higher recognition or reward.

Second, I examined the National Bureau of Statistics (NBS) Multidimensional Poverty Index. The most recent one, in 2022, shows that poverty in Southeast Nigeria spiked from about 20+ percent in 2018 to about 50 percent in 2022. You can almost draw a straight line between the rise of the Indigenous People of Biafra (IPOB) and the fact that people no longer go home and so can't spend money in those local economies.

The third and final story is that the local government is supposed to be Nigeria's development engine. However, the refusal of the state governments to give them their money and the lack of democratic representation at that level are part of why we can't grow. If we know these points, how do we get the governors, the President, and the political elite to see that we are shooting ourselves in the head this time by failing to address these points?

Uzonwanne: How do you convince a man he is drunk? Short of tossing them into a cooling-off chamber, you must keep rationalising and explaining to them. But most of the time, they are not prepared to listen.

We must dismantle our current Constitution. Here is why: Let us go back to the local level again. Let us use cities like Enugu, Ibadan, or Kano as examples. These cities are usually split into multiple local government areas (LGAs). Set aside the fact that the LGA mechanism is dysfunctional. Most of those chairmen are not talking to each other, nor are the council members talking to each other. But as an investor, in most normal circumstances, when I say I want to build a plant for



Figure 3: How Nigeria's local governments are governed. (Source: [Yiaga Africa Research](#))

³ Ang, Y.Y. (2022) *How China Escaped the Poverty Trap*. Ithaca: Cornell University Press.

car manufacturing or to manufacture tomato paste or water bottles, that decision is shaped by the circumstances I see in the local community.

For instance, are the roads good? If I invest in Enugu, I will not care about the quality of the streets in Ibadan. If I am investing in Enugu, I don't care about policing, security, the presence of streetlights, or where my workers will come from the other side of the country. The reality is that all the parameters that will shape my decision-making are local. They are usually within a 20 to 50-kilometre radius. I will ask questions such as: Do the schools produce the right talent I need? Are the streets safe? Are police officers there? Are raw materials proximate to where I want my plants to be? One of the myths that Nigeria has built its industrial infrastructure on is that you can move raw materials a thousand kilometres and take them to a factory. Right off the bat, any sensible investor will tell you that the logistics cost would immediately kill your margins. Also, some raw materials, such as cassava, must be processed quickly. Once you harvest cassava, you must process it within 24 hours, or it will become unusable for specific output. So, if you have a factory 500 kilometres from where the cassava is grown, you have failed even before beginning. So, an investor deciding to put jobs in a specific location optimises the capabilities and assets in that location.

Okigbo: I understand the argument. However, how do we get the political elites to see this point? There is a unique opportunity with the Tinubu administration. Recall the impasse between President Obasanjo and Governor Bola Tinubu when the latter tried to transform the Local Government Area (LGA) structure into a Local Council Development Area (LCDA) structure. It is like what Alex Otti is implementing in Abia. Otti recently appointed [John Udeagbala \(Ide\)](#), one of the wealthiest Igbo men, as the mayor of Aba. I wish it were through an election instead of an appointment, but we will take what we can. Ide's mayoralty spans several local government areas. Bola Tinubu, as Nigeria's president, understands the place of local governments in development. Some governors, like Alex Otti, understand it as well. Is there a sequence of activities that gets them to move in that direction?

Uzonwanne: Absolutely, and the simplest thing to do is through the Constitution amendment process. Now, we can debate whether the Constitution must be junked, or we can go back to the 1963 Constitution and update its elements.

Okigbo: You made this point in your book.

Uzonwanne: If you go down that path, you eliminate the local government system. When you drive into an American city or town, you usually see a sign saying incorporated and the date.

I am now hearing everybody say, we ought to go back to the parliamentary system.

Ibadan can now reclassify itself, define its boundaries, and say Ibadan was incorporated in 1545, or if everybody wants to be on the same page, all the Local Governments can reincorporate as of 2024. Then, the city elects a mayor and a council, probably at most 10 to 15 councillors, who are responsible for job growth, healthcare, fire departments, utilities, electricity, and water. The city should own assets that generate revenue. For instance, the airport in Enugu should belong to the City of Enugu and generate income for them. The federal government has no business owning that airport. This approach pushes wealth creation and accountability to the local government, reducing the states' and the presidency's powers.

Frankly, some realisation is coming into the system because I now hear most people arguing for a return to the parliamentary system. Set aside the hypocrisy of former governors and ministers now championing the parliamentary system. We will forgive them for that intellectual misstep. But the truth is, when you come as a politician from your local community, you are accountable to your local community. If you are elected in a relatively clean election, you don't need to be responsible to the people on the other side of the country. Essentially, charity will begin at home. And if people get tired of you, they will throw you out in the subsequent by-election.

Okigbo: Jude, a thought that kept going through my mind as I read the book is what our friend, Osita Chidoka, calls "work avoidance". He claims that when Nigerians don't want to work or solve a problem, they create a new bureaucracy or claim that nothing else will work unless something difficult to change is accomplished. I hear a bit of that in this suggestion.

I listened to your description of this new city model. I don't see what is fundamentally different between that and the current local government model. I also hear people arguing that we must return to the 1963 Constitution because the 1999 Constitution can't deliver development. Again, Osita would ask if we have exhausted all the provisions in the current Constitution before asking for the difficult task of rewriting it. How do you respond to this pushback on "work avoidance"?



Figure 4: Evolution of Nigeria's Constitution

Uzonwanne: It is an exciting view, and I am not avoiding work. I love work. I am conscious that sometimes the challenge is not necessarily the system but the people. And sometimes, it is from both the system and the people.

In response to your opening comment, how do you design a system that reflects the flaws we have found in ourselves? As Shakespeare reminds us, it is not in the stars but in ourselves. So, if I see a weakness, can I use an institutional redesign to balance that weakness? Yes! The presidential system of governance presupposes the good intentions of the occupants of the office. One of the things I recall from my undergraduate years was during our public economic seminar. We used a book called [Memos to the President](#), which contained all the memos written to incoming United States presidents for over 45 years. It lays out all the issues and the recommendations on how to solve them.

We have experimented with similar things in Nigeria. As in all things Nigerian, we take a little of what we like but fail to reach the end of the road. So, if we genuinely emulated the American system of governance the way it was designed, we should not have these problems because they do not exist today in the United States. There are counties, but county governments are still relatively small. So, as much as I don't want to go through another constitutional song and dance, I recognise that we must manage for essentially the personal failings we have seen.

Interestingly, here is the counterfactual. I have been told that, as Chief Executive of NIRSAL, I made a mistake in constructing the organisation as I did. I have been told that I granted excessive powers to the Chief Executive Officer and the management team.

A quick background on NIRSAL. The organisation is essentially an attempt by the Central Bank of Nigeria (under Lamido Sanusi) and the Banker's Committee to figure out a way to make agriculture a viable sector of the economy. At that time, banks were lending less than one percent of their loan volume to the agricultural sector. Governor Sanusi and the bank CEOs realised the need to change that situation to create jobs.

Remember the context. The late President Yar'Adua (God rest his soul) was ill then, and his cabinet did not have much policy leadership because of all the tensions inside. The Central Bank took on this responsibility, amongst many other duties. That was the idea that the Central Bank could become this giant policy maker in addition to its monetary policy responsibilities. We reflected that ambition in NIRSAL's Memorandum and Articles of Association (MEMART) and gave it the power to trade, lend, buy, and do all sorts of things.

Several practical concerns informed this position. For example, we wanted to help drive rice production and realised we needed about a hundred thousand tons of rice seeds to transform rice production in Nigeria. But we could only find about a thousand tons. Ivana Osagie and my team looked all over West Africa to discover that much. We returned to Governor Sanusi and asked if we could fund rice seed production to fix this problem to enable Nigeria to produce enough rice. The demand was roughly 10 to 12 million tons of rice per annum. Unfortunately, the Bank said no.

We don't produce enough rice because of that fundamental problem of not having enough seeds. That kind of problem-solving intent drove the institutional design. However, my successor used that authority to go wild, enrich himself, and commit many crimes. So, now, we are forced to reflect and say that if you give too much authority, people can go wild, which is essentially our presidential system today. Still, it would help to consider how much of that authority you take back and where you redistribute it. That is why I believe that after 20 to 30 years of thinking about this problem, we should return to the [1963 Constitution](#). You ask states to merge into each other voluntarily. For those who don't want to merge, that is okay. They can have their regional Premiers, but you take away much federal power that has been abused and push it back as far down into the system as possible.

Okigbo: I'm glad you mentioned NIRSAL because we had many discussions about the programme when you were in charge. But I saw in the book that you proposed something like NIRSAL. You proposed setting up "Enterprise Nigeria" to be led by the Minister of State of the Federal Ministry of Industry Trade and Investment. Amongst many things, it will have about a trillion naira, and it can co-invest with other private investors in Series A funding. It sounded like NIRSAL 2.0 on a grander scale. You must have had time to reflect on NIRSAL and CBN's several intervention funds. Guided by that reflection, what do you propose as the "Enterprise Nigeria" design?

Uzonwanne: Enterprise Nigeria reflects a desire to allow local governments, cities, etc., to do their own thing but to have a backstop to support them. It will refocus the federal government's intervention efforts into a business-driven mechanism.

Earlier in my career, when I was with Monitor, we used the term 'Country Competitiveness'. This term grew from the work of one of the founders, Michael Porter. It must have been my second or third week at Monitor when Michael Porter came into the Cambridge, Massachusetts office and took us through his recently published book, [The Competitive Advantage of Nations](#). He took us through the training, seminars, et cetera. At the time, we thought, "Wow, this is cool." But at the heart of it, and in subsequent work we did with many governments worldwide – Rwanda, Uganda, Colombia, the Dominican Republic, Kuwait, etc. – the crux of the issue comes down to leveraging your differentiating competence. Our mutual friend, Professor Utomi, talks a lot about this point. The competitive advantage of a metropolitan community can now be supported using tools and resources that enable investments to thrive. The whole universe of cluster-driven economic planning comes to the fore.

If you take almost any city or metropolitan area in Nigeria, the question then is, what can that community do, independent of the rest of the country, to generate wealth? Is it in mining, producing plastic, producing [aso oke](#), or [akwa ocha](#) (for folks from Anaocha, Asaba, etc.)? When we looked at those opportunities, we saw a need to train people to think differently. You need to provide resources to help catalyse the investments and provide some support mechanisms. In almost every thriving economy around the world, people use different terms. Some call it Economic Development Boards, and others Cluster Strategy Boards.

Let us use Ibadan as a case study. You need to figure out its competitive differentiator. For this work, you must talk to people. So, you start with a town hall meeting. I can see a situation

where an Enterprise Nigeria team shows up and says, our job is not to tell you what to invest in. Instead, our job is to help you facilitate that process, put some capital behind it, keep you honest, and drive you to deliver the results. Let's say Ibadan is geographically located such that it should be an education export centre. The next question becomes, what ingredients are required for the city to become a successful education exporter to the rest of West Africa? You may decide not to tamper with the primary and secondary schools and, instead, focus on an academic innovation platform. You may end up with three or four institutions that teach differently and train people on skills directly linked to workforce requirements. In this case, you are not just producing certificate holders. Instead, if five companies come to Ibadan to do Artificial Intelligence (AI) work or plastic moulding work, those institutions' academic and experiential programmes can support their business plans. Enterprise Nigeria's role is to be that champion and facilitator that supports talent development, invests in companies that wish to operate in the local economy, and helps them access the market.

Okigbo: I remember accompanying you, as NIRSAL CEO, to Songhai Farms in Rivers State, where you conducted this type of town hall meeting with farmers. Interesting experience.

I am not sold on the Enterprise Nigeria idea. We cannot design around those principles. We must design around reality. Thomas Sowell calls '[A Conflict of Visions:](#)' the constrained and the unconstrained man. He argues that man will always take an advantage when he sees one.

My core argument is instead of setting up these new bureaucracies from Abuja or wherever, empower the local governments with their federal allocations, give them clean and fair elections to elect their representatives, and let the people decide what they want to do with their lives. If they don't want to do anything meaningful with their lives, natural selection will solve that problem. Do you agree or disagree with that point?

Uzonwanne: I am ideologically neutral. Frame it this way: I would love to see that institutional evolution, but I am also comfortable with making the current system more efficient. So yes, the solution you described can work, and the concept of Enterprise Nigeria is the federal face inside of it in terms of support.

Every city should have a think tank that asks what we can do to produce wealth in this community and how that wealth can be reinvested. From a success-measurement point of view, we delivered on NIRSAL's intent. As the data would show, NIRSAL was set up roughly about a decade ago, and today, banks are lending over 11 percent of their loan portfolio to agriculture from less than one percent. Half of what I spent my time doing during my first year at NIRSAL was talking to bankers and convincing them that the agriculture sector was a possible option where they could make money.

My boss, [Sanusi Lamido Sanusi](#), a superb guy, did his part in the Bankers' Committee, brow-beating every chief executive officer. Some banks embraced it better than others. I must credit the old Sterling Bank, who bought the first credit guarantee that NIRSAL wrote. I always tell everybody that [Bukola Awosanya](#), Head of Sterling Bank's Agriculture division, is a groundbreaking banker in Nigeria's agribusiness space, followed by [Kudzai Gumunyu](#) at FCMB. Over time, other banks came along as they saw the results picking up, and I always told our

clients (the banks) that my goal at that time was to make NIRSAL obsolete. The day we did not have to sell a credit guarantee against an agricultural loan, I knew we had done our job. So, we wrote the MERMART for a future where we became effectively like a private equity investor in agriculture. The guarantees were a transition product to rebuild confidence in the system, and they worked. So today, people are investing in agriculture and doing well, except for the security problems we have had in the last five years.

If you think about the future, you want every local government or city to stay within our constitutional framework. Yes, every governor should immediately call the Independent National Electoral Commission (INEC) and the State Electoral Commission and say, we will organise elections. Any governor who continues to appoint local government chairpersons and councillors today is committing a crime against democracy. You are committing an illegality under the Constitution. Nobody should be appointed a councillor or chairperson. Everyone should go through a reasonably transparent electoral process to enable the community to pick its leaders. And then, precisely to your point, those leaders drive the dialogue to ask how the

Any governor today who appoints local government chairperson and councillors is committing a crime against democracy.

community can generate wealth. There is no incentive to build wealth if you fly to Abuja every month, collect your allocation, and go home. The system is upside down. If I were the governor of Oyo, Anambra, or Lagos state, I, along with the city's prominent leaders and local government leaders, would be talking about how we can invest in a trend we have seen to build

cash flow and prosperity. Then, we pay our taxes to the federal government, and the wealth stays in our community. We should not be going to Abuja to collect money every month.

Okigbo: I agree with you. Let's get back to your tripod. We have discussed localisation and security. Can we discuss education? You proposed an education that enables innovation/. You also discussed reskilling the Nigerian workforce, especially as we confront the realities of Artificial Intelligence and other related technologies. Therefore, what is the ideal model for this re-skilling? Who would do what? Who will fund it? Is it a combination of the government and private sector? How will it work in practice?

Uzonwanne: Maybe to start with a premise, back in the 1990s, remember the World Bank's publication, "[The East Asian Miracle.](#)" The publication caused much commotion in technocratic circles because the World Bank posited a theory of wealth creation, and country specialists argued that things happen differently, etc. Before that, a great American historian, Charles Johnson, talked about '[The Flying Geese Model](#)' and how the Japanese transferred capabilities into Southeast Asia because labour costs had become excessive. We see a similar thing happening today. Many jobs are moving from China to Vietnam and India because labour is cheaper in the latter countries. This presupposes an export growth-led model where you produce iPhones and export to the rest of the world at the most affordable labour cost.

We also see an opportunity to export talent. I credit the current Honourable Minister of Trade, Industry, and Investment for promoting the Nigerian Talent Export Programme (NATEP), which enables them to legalise all the talent going to international destinations. This protects people and ensures their income is official. But when you look at the rest of the economy, you must

say that we must pay for talent re-skilling and prepare for the future. How do we do it? So, there are a couple of things.

There is no incentive to build wealth if you fly to Abuja every month, collect allocations, and go home.

One important aspect to consider is the need to review our regulations. This is especially evident in the ongoing conflict between nurses and the Nursing and Midwifery Council of Nigeria. The council requires nurses to complete a certification before travelling abroad. Essentially, they are using administrative measures to restrict the nurses. What if Nigeria produced half a million nurses instead of the current 28,000? We have people who are willing to retrain as nurses. The government's aim to produce 120,000 nurses should not just focus on the number but on restructuring the system to allow the market to allocate talent. This can be achieved through a combination of private and public sector investment. Once again, by using public funds to catalyse and de-risk, enabling the system to retrain people would be beneficial. Reflecting on our GSM boom, during President Olusegun Obasanjo's time in office, one of the significant achievements was addressing the shortage of telecom and software engineers in the country. This was led by Ernest Ndukwe and the Nigerian Communications Commission (NCC). They faced the challenge of importing talent from other countries because they needed more skilled professionals locally.

Now, if you engage in scenario planning like the Singaporeans, as we learned to do at Monitor and have done for them and other countries, you should ask, what are the probable futures? It involves considering a variety of factors and analysing how they might interact. For example, we anticipate that the Gulf crisis and Houthi attacks in the Red Sea will persist for the next 6 to 12 months. In that case, shipping companies will likely become more apprehensive, leading to increased maritime activity in West Africa. What implications does this projection have for the future? When a ship travels from South Africa to the coast of West Africa, it takes about ten days. This means the ship needs to refuel as it continues its journey to North America. As a coastal country, we can follow Singapore's example from the 1960s and 70s by deepening our ports, providing bunker fuel, and improving our airport to facilitate crew changes. This would result in ship crews flying into Lagos and spending one or two nights in a hotel before joining their vessel. It also means that you are now selling food, water, and drinks to those ships. You are selling them bunker fuel at hundreds of dollars per ton. By raising your hand and saying, 'I am going to provide these services to the global shipping industry,' you have created jobs at the airport, ports, construction, hospitality, etc. for Nigerians.

The average tanker usually carries around 22 crew members and travels at 20 to 40 knots. Currently, most crew members are Filipinos or individuals from other parts of the world. Many Americans and Europeans worked on ships in the past, but this is no longer the case. The Russian crew members also faced challenges and ultimately did not continue due to various issues, including alcohol-related problems and vessel-related issues. Subsequently, there were Korean, Chinese, and Indian crew members who stayed for a while, but as their countries became more prosperous, they left the shipping industry and returned to shore.

It's worth considering whether African countries could become the primary source of crew members for global shipping. However, these countries have yet to take significant steps to develop this capacity. When I worked in the shipping industry, we engaged with many people across the continent, but no one seemed willing to seize this opportunity. Today, due to geopolitical factors, major shipping companies are rerouting their ships away from the coast of West Africa. Despite this, no African country has decided to reconfigure its maritime economy to create jobs.

Okigbo: Jude, I hear you. We will open it up for audience questions and comments. But let me get one more question in while they ready their questions. Your recommendations in the book require a whole of government approach, right?

Uzonwanne: Yes.

Okigbo: As Nigerians, we have little experience with complex projects. The complexity, in this sense, is relative to projects we previously undertook as a nation. One example of a successful complex project is the Nigeria Liquefied Natural Gas. If we lack experience handling big projects and struggle with ordinary tasks, how can we expect to deliver on challenging endeavours? What do we need to have in place to succeed? Considering the Tinubu administration came from Nigeria's commercial centre (Lagos), where they delivered some successes, what should we expect from them?

Uzonwanne: Fundamentally, if you set higher aspirations for yourself, you can achieve them. I am a big fan of George W. Bush Jr., who called it "The Soft Bigotry of Low Expectations."⁴ This is our problem today. We have approximately 230 million people, most with shallow or non-existent expectations. So, I asked a friend the other day, "Have your children ever experienced turning on a tap and drinking that water?" She was startled by the question and said, "No, they have grown up drinking from pure water sachets all their life". I said, "You and I grew up together. I remember when we used to turn on the tap." I can also trace how public water disappeared from the University of Ibadan. Eventually, everybody started fetching water plus all sorts of things. President Tinubu must raise the level of the game. Things are challenging, but he must come out and describe a plausible future that warrants pushing ourselves harder. It is doable.

During my final years at Monitor, we worked for the Immigration Controller General. Every time I enter Nigeria and see the sign saying, "Visa on arrival," it reminds me of our work. However, to prove our capabilities, we had to showcase our work with the immigration services in Kenya and Rwanda. What clinched the job for us was when we pointed out to the bigwigs that they had yet to be on the opposite side of this conversation. They have never gone through the Nigerian visa application process. If they did, they would realise how crazy it was.

Many of our problems are self-inflicted, unforced errors. Even without changing our constitutional structure, the President needs to implement a process to ensure his ministers

⁴ The practice of expecting less from members of a disadvantaged group and thus implicitly encouraging those people not to reach their full potential.

work diligently. He needs to light a fire under them. They must work tirelessly, engage consulting firms, enhance the system's capacity, and constantly focus on solving problems.

I will provide an example of healthcare work we did for the government of Singapore just before COVID-19. They told us that if we failed at this work, we would face penalties in the civil service and the system. However, today, there are no penalties for failure. My book suggests that we envision what is possible and create the structures to make it happen. It involves reviewing existing laws and regulations and bringing people into government who prioritise getting work done rather than using the government for deal-making.

The book also proposes the 'Post Berlin idea' that suggests Nigeria should merge with its neighbouring countries such as Benin Republic, Niger, Cameroon, etc., as they form natural,

If you look at how Benin Republic and Cotonou Ports are run, I will hire Benin Republic port administrators to run Nigerian ports.

communal, and geographic economic clusters that should not be separated by artificial boundaries created in the 19th century. These communities should be united. President Tinubu gave a speech today saying, we will pursue this regional merger. We will devolve more authority back into communities

to model the behaviour we want to see. Seeing how Benin Republic and Cotonou Port are run, I will hire Benin Republic port administrators to run Nigerian ports. It should be about merit and talent. I am violently opposed to the federal character because we are simply perpetuating bigotry against people. Put everybody up and give them the chance to excel. There should be equal opportunities, and people should be allowed to compete. And if the Post-Berlin Federated African Republic (FAR) wants to go far, it will use that challenge to drive performance beyond anyone's imagination.

Okigbo: When I read that part of the book, I thought to myself that this book would not become a bestseller in West Africa. Nigeria's neighbours are weary of its size, and what you propose will be construed as a form of annexation. However, I understand your point about creating a broader market, which I think is what the African Continental Free Trade Area (AFCFTA) is trying to achieve by establishing a common market.

Let us spend some time on "The Safe Nigeria Act". The act proposes that about a million police officers should be on the streets. How would this work in practice? Shouldn't we be considering how to reform the inefficient Nigerian police force and other security intelligence agencies, given my earlier question about "work avoidance"? How will this act, institutions, and practices be funded?

Uzonwanne: If we invest in building and improving security, it will guarantee faster GDP growth. It is a crime against every policy framework and humanity for Nigeria's economy to grow at sub-three percent. This doesn't seem right because our population is increasing by about three percent. So, we are either making progress, at a standstill or becoming poorer each year. So, if our society is safe, people can work effectively. Also, if we are operating a 24-7 economy, it will generate sufficient tax revenue to fund the policing.

One of the things that I point out to people about places like Rwanda, China, and Singapore is that you can walk around those countries at any time of the day. You won't see police officers,

but they are there, and there are cameras, and it is something the Chinese learned from the Singaporeans. You can forget your phone at a Singapore street market or eating place. You can come back 30 minutes or an hour later, and it will still be there. This comes from a network of intelligence gathering, surveillance, and preventative policing.

If we invest in building and improving security, GDP will grow faster.

It is similar to what Rudy Giuliani did in New York City. He built a comprehensive security system and ensured you would see a New York Police Department (NYPD) officer around when walking down the street. Think about the billions of dollars that came into Times Square in the 1990s versus what Times Square looked like in the 1980s. The tax revenue paid for the incremental police presence.

Nigeria is currently facing a fiscal crisis. While there has been some slow improvement, we can speed up the growth by making decisive and prompt decisions, such as increasing the number of police officers on the streets and improving infrastructure. Despite his shortcomings, we must acknowledge President Muhammadu Buhari for his significant investment in infrastructure, which will help address some of the issues. The Nigerian government must also uphold its laws and stop disregarding court rulings. It's impossible to expect stability and law and order if the government is seen as undermining them.

Okigbo: Some state governments have begun exploring new methods of funding law enforcement. Lagos initiated the Security Trust Fund, and several other states, such as Enugu, have adopted similar approaches. However, the Trust Fund functions more like a civil society organisation. Is there an investment aspect where businesses can invest in the trust fund and receive a financial return? The returns could be a share of the increased economic activities within the state.

Uzonwanne: Absolutely, though it must be at arm's length. There is an implicit protocol where the companies may help pay for security but should not receive any special favours for themselves. The state should focus on large-scale safety.

Okigbo: Well, if there is increased economic output resulting from the investments in increased security, the investors should be able to get some share of that value. Well, I have a question from Remi Adeosun. The question is about Nigeria's struggling pharmaceutical industry. She suggests that the sector may survive without getting single-digit interest rates. They want to know if NIRSAL is still feasible with the current CBN disposition and, if it is, whether it could be a solution for Nigeria's pharmaceuticals.

Uzonwanne: Let me step back for a minute. I never believed in the single-digit interest rate policy, but I understand why it must be implemented now. The main problem is that due to the abuses of that system, Governor Cardoso and his team have been averse to non-monetary policy interventions. We understand that these interventions can be beneficial, which is the basis for the Enterprise Nigeria concept. The goal is to create a set of policy regulations that encourage positive behaviour rather than simply giving money to individuals who view it as their share of government funds and have no intention of repaying it. The main difference between agricultural and sectoral interventions under Sanusi and Godwin Emefiele was that

we had examined the history of such interventions and found that they didn't work. However, if we used government funds to speed up what would typically be a private investment decision, that would make a significant difference.

For example, two things can be done differently in the pharmaceutical industry. Many years ago, the United States Agency for International Development (USAID), The World Health Organisation (WHO), etc., told the Nigerian pharmaceutical industry stakeholders they would procure from them if they made certain quality investments and were pre-qualified for local procurement. Many Nigerian companies did so. They raised their quality standards, but the donors have yet to come through. They did so in Ethiopia and Kenya, but they didn't in Nigeria. So, the Nigerian guys were stuck with debt.

Safety is the most critical factor to drive growth.

This leads to the second potential lever. Can the government of Nigeria now do what the Ethiopians did, which is to adjust the procurement law to ascribe at least a 15 percent headroom to the Nigerian producer, such that if the foreign bidder says mine is one naira and the Nigerian producer says mine is one naira fifty kobo, the Nigerian producer will still get the contract? This is partly the direction of some of the executive orders that have been discussed. You want to be able to drive Nigerian government procurement to support Nigerian enterprises rather than support foreign enterprises in a way that doesn't violate our World Trade Organisation (WTO) commitment. While we cannot ban imports, we can add more levies to the tariffs.

Therefore, you give an incentive to the Nigerian side of the house. For instance, Nigeria spends roughly 250 to 400 million dollars annually on paediatric vaccines. A lot of that ends up in India with the Serum Institute. Therefore, the question is whether we can localise some of that spending in vaccines, oncology medicines, type two diabetes, or heart failure medicines. We should test Emzor or May and Baker's products. If they meet the required quality standards, we should start procuring from them rather than spending abroad because that money has a domestic impact. However, we must be cautious about how we frame and implement that idea.

Okigbo: Khadija Shuaibu is doing her National Youth Service Corps with us at Nextier. She wants to know if any personal experiences influenced your perspectives on the topics discussed in the book. I found one of your stories fascinating. You recounted how you helped your mom sell eggs within the University of Ibadan and how the authorities shut down the business because it impacted their business. That was your first lesson on how government interference works to stifle enterprise. Are there other stories like this one?

Uzonwanne: One's personal experiences can indeed shape one's ideological conviction. I jokingly say this when people ask me this question. For instance, the current contributory pension system came from my experience with my mom. When, in 1999, General Abdulsalami Abubakar's government tried to lay off many public officials, she was suddenly presented with a retirement letter and was happy to retire. But the system said, sorry, we don't have any money to pay you. This was a woman who had been working since about 1979.

The answer came after Obasanjo had taken office. After multiple conversations with my mother, I returned to New York, sat down, and started writing this furious letter to explain her circumstances. I put on my consultant hat and went and dug. I realised that this was a massive problem. At that time, it was roughly a four trillion naira problem. I wrote to the President saying, you cannot afford this again. I have looked at the country's balance sheet. You have a real problem. Here is how I propose you solve it. I laid out a structure for them and put the letter in the mail. I tried to find an email address. There was no email address, so I addressed it to President Obasanjo, State House, Abuja.

My lesson is to take your personal experiences and turn them out for the better.

Somehow, miraculously, the mail got to President Obasanjo. He read it and gave it to Nasir El-Rufai, who discusses this story in his book *The Accidental Public Servant*. El Rufai then went to Atiku, the Vice President. The Nigerian government started looking for me, but I had changed jobs, so I never worked directly on the programme. However, the memo became the basis of the current contributory pension system.

The lesson I have learned is to seek ways to improve my experiences. Many Nigerians have their rights violated every day, and they may not have a voice—in most cases, they don't. So, if we see things that shape our conduct, we should help fix it.

Okigbo: Thanks for that story. It helps answer some questions I get all the time. People ask why I write so much and organise these discourses. They claim nobody is listening, so why bother? To the contrary, people are listening. It is working. You might not see it immediately, but it is working.

The next question is from Obi Emekekwe, who is joining from London. He thanks you for a fascinating and stimulating conversation. He worries that discussions like this do not reach the country's leadership. He wants to know the best approach to getting the political leadership to listen to and apply the outcomes of this discussion.

Uzonwanne: In my fantasy moment, I think I will become Nigeria's next prime minister because I get tired of talking to officials. I have tried to advise every Nigerian ruler since Sani Abacha. Some listen while others don't.

A friend once told me you have an obsession with Nigeria and cannot seem to let go. You are always trying to fix Nigeria. I agreed because there is value in doing so. We all feel pride when things function, such as when Nigeria wins a cup or when you see a Nigerian appointed to some significant position.

Still, at the same time, there is a pain because when I think of some of my classmates with whom I went to university, we are now at that point where many of them are senior American government officials. I know what they have done in terms of helping shape American society. I look at Nigeria and see so much talent sitting outside the country. Yet, we cannot seem to fix our fundamental problems. But as I said initially, these are not rocket science problems. You must keep pushing, but we pray we have that lucky break someday.

I take some measure of joy because we can make a difference even if we don't fix everything. Things happen in waves. So, one of my senior partners at Monitor once wrote an article for CEOs called [The Slow Pace of Fast Change](#). The tipping point sometimes arrives when people

The tipping point sometimes arrives when people least expect it, and then suddenly every piece of reform that people thought was not possible then just becomes the norm.

least expect it. Suddenly, every piece of reform that people thought was impossible became the norm. Then we ask ourselves, why did we think this was impossible? I think of Indonesia, where the army party, [Golkar](#), ran Indonesia for a long time. Everybody thought Suharto was the only person who could run Indonesia, and one day, it all changed. Golkar stumbled, and suddenly, Indonesia is a different place today.

When you think about it, Nigeria is very different today than in 1998. We have made a lot of progress, but there are some things we still need help with. We are debating a return to the parliamentary system. We have dismantled the electricity monopoly at multiple levels and are slowly dismantling the Nigerian National Petroleum Corporation (NNPC) monopoly. The next wave of reform is to devolve power back to our local authorities and then for people to start thinking of how to fix things at that level. The growth starts in the local community when, for instance, the people of Ubulu-Uku say they will become the akwa ocha capital of Nigeria, or people in Gombe say they will become the largest tomato growing and processing territory in Africa. The magic will happen when they start investing as a community in that idea.

Okigbo: Let me get a question from your namesake, Jude Anyigbo. The question is, the government has recognised that the floating of the naira was a mistake. What remedies can stabilise the naira? The first question is whether it was a mistake to float the naira. The second question is what the government can do about it.

Uzonwanne: Unlike many other folks, I don't think it was a mistake. I advocated for it. I think removing the petroleum subsidies was also not a mistake. Essentially, taking distortions out of the economy is not a mistake. Now, how do you cushion the effect? There is no other solution other than continuing to reform the economy. You will not feel the impact of those reforms for months and years to come. However, they are stepping out of the way of the private sector in terms of not just wealth creation but also real entrepreneurs stepping up and doing things. That is what will be the source of transformation. Many people don't give enough credit to the Nigerian diaspora for the stabilisation role of their dollar remittances. Roughly 25 to 30 billion dollars comes in from the diaspora every year. More so than foreign direct investments, which have never exceeded \$9 billion since 2011.

Okigbo: It was down to about \$2 billion a few years ago.

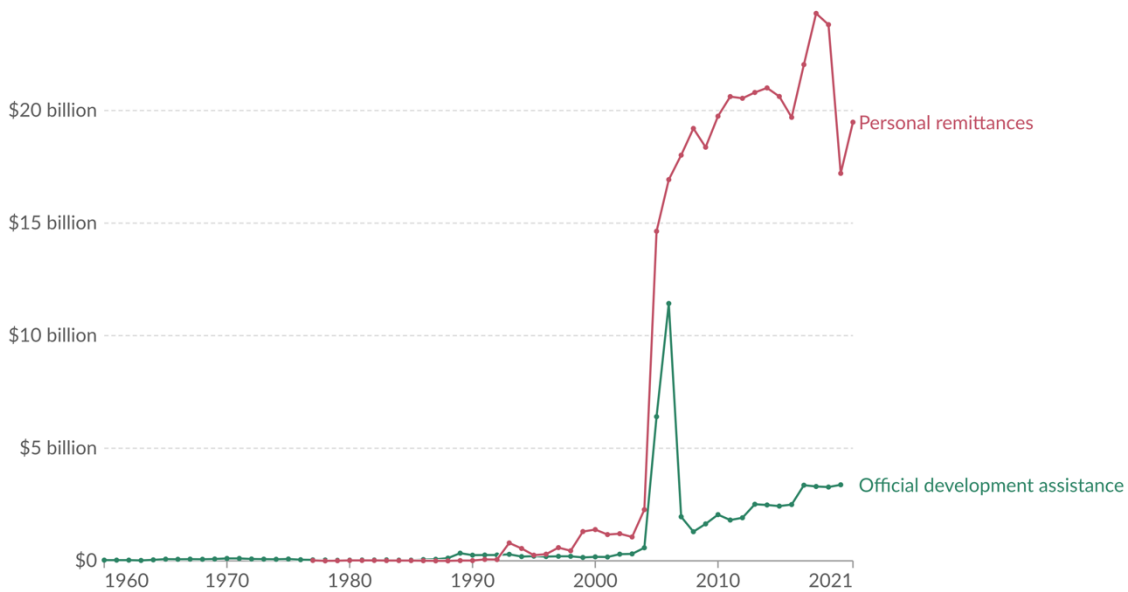
Uzonwanne: Last year, it was negative. So, we are slowly taking charge of our future. As I said, the trick is to behave like the Singaporean, to look around us and say, where is there opportunity? Like the Japanese, they also invented something out of nothing. Today, Cocoa prices are off the charts. Are we planting more cocoa? In some places, yes. So, my old friend Ebenezer Boluwade, who is the commissioner of Agriculture in Ekiti, was one of the people who sat in many of those banker classes with NIRSAL. Ebenezer is doing fantastic work in Ekiti, but I don't see many of his colleagues around the country doing similar work. So, there is no

substitute. The government can talk politics until it is blue in the face. Still, the only valid long-term defence of the value of the naira is a more productive, more entrepreneurial economy, which means the government is changing regulations and allowing people to create wealth.

Personal remittances and official development assistance received, Nigeria, 1960 to 2021

Our World in Data

Remittances – financial transfers from non-residents to residents of a country, such as a worker abroad sending money to family and friends – and official development assistance¹ measured in current US\$.



Data source: World Bank based on data from the International Monetary Fund; Data compiled from multiple sources by World Bank
OurWorldInData.org/migration | CC BY

1. **Official Development Assistance:** Financial flows to countries and territories on the Development Assistance Committee list of recipients and to multilateral development institutions that are: 1) Provided by official agencies, including state and local governments, or by their executive agencies
- 2) Are administered with the promotion of the economic development and welfare of developing countries as their main objective 3) Are concessional in character, with a grant element of 10-45 per cent, depending on the type of loan and the specific recipient.

Figure 5: Remittances from Nigerians in the diaspora is greater than five times the assistance from international donors.

Okigbo: Thank you so much, Jude, for joining me today. Thank you to all the participants.

We are closing with this discussion about the economy, which is the topic of our next discourse. On April 3, 2024, [Dr. Tayo Aduloju](#), the Chief Executive of the [Nigeria Economic Summit Group](#), will join me to discuss how to grow the Nigerian economy.

Once again, Jude, thank you so much, and congratulations on this book, The First Trillion.

Uzonwanne: Thank you very much, bye, everyone.

BUILDING AFRICA'S FIRST TRILLION DOLLAR ECONOMY

Patrick O. Okigbo III
in conversation with
Jude Uzonwanne