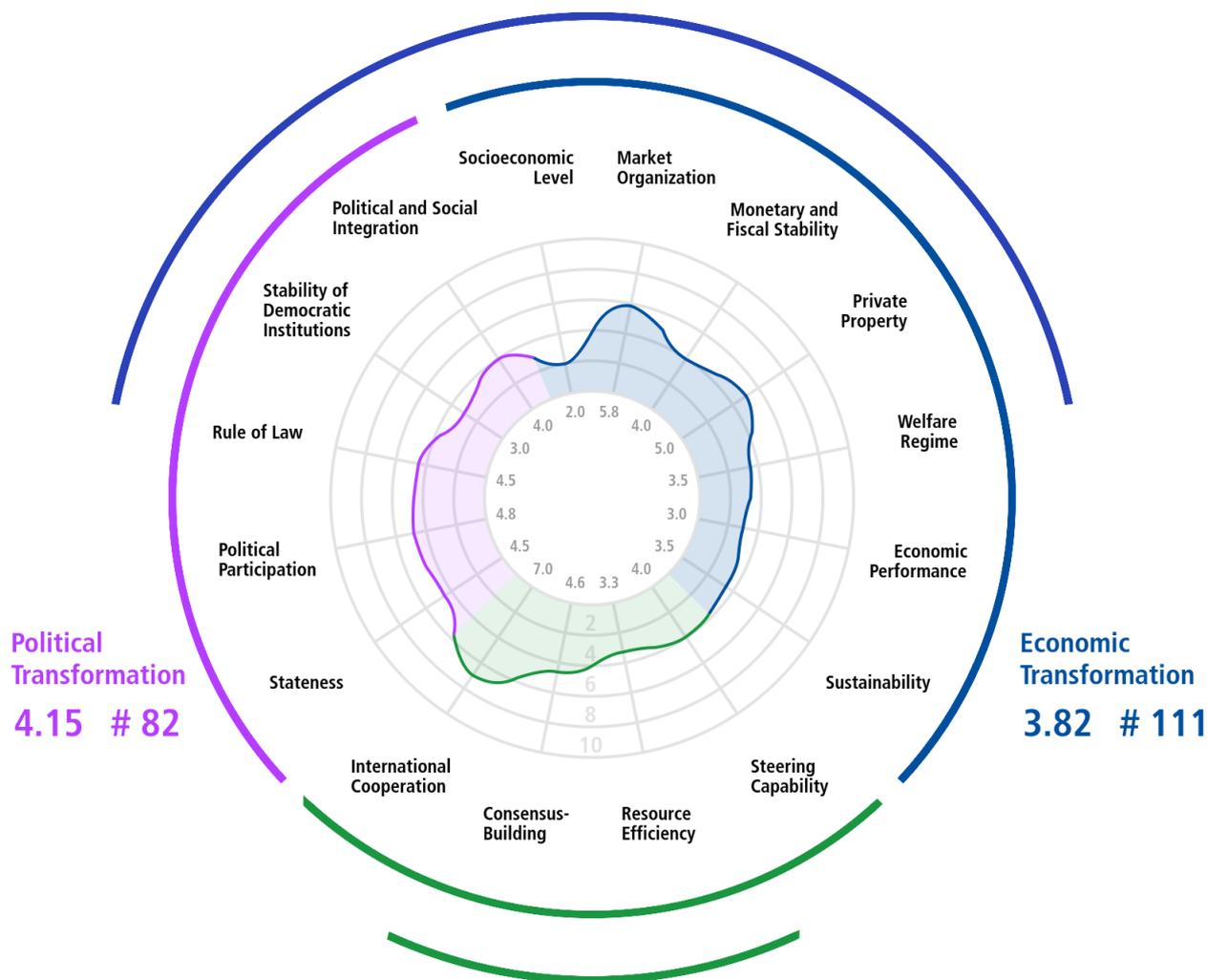


Nigeria

Status Index

3.99 # 104

on 1-10 scale out of 137



Political Transformation
4.15 # 82

Economic Transformation
3.82 # 111

Governance Index

4.44 # 78

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	232.7	HDI	0.560	GDP p.c., PPP \$	6440
Pop. growth ¹	% p.a.	2.1	HDI rank of 193	164	Gini Index	33.9
Life expectancy	years	54.5	UN Education Index	0.545	Poverty ³	% 63.5
Urban population	%	55.0	Gender inequality ²	0.677	Aid per capita \$	15.8

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

Muhammadu Buhari's two terms as president of Nigeria ended in May 2023. Former Lagos state governor Ahmed Bola Tinubu is currently serving as president after winning the February 2023 elections for the same All Progressives Congress (APC) party. While irregularities did occur and opposition parties and observers cried foul, the results largely matched expectations with regard to the regional distribution of the vote. The People's Democratic Party (PDP) remains the largest opposition party, but its performance was weakened by the emergence of the Labour Party (LP), which attracted a considerable share of Igbo voters.

The change in leadership has not yet brought positive change to Nigerians. Economic growth remains slow, consumer prices have increased sharply and insecurity has continued to spread throughout the country.

At the start of his term, President Tinubu vowed to remove Nigeria's costly and regressive fuel subsidy program and free up valuable resources for the government. As a result, petrol prices have increased sharply. The removal of the subsidy aligns with international recommendations, but many argue that insufficient measures were implemented to reduce the burden on ordinary citizens. The subsidy has been partially reimposed to counter inflation, but budget transparency remains lacking. There is widespread anticipation that the Dangote Refinery, which became operational in May 2023, will help Nigeria transition from a dependence on imported petroleum products to the achievement of total self-sufficiency.

At the same time, President Tinubu has taken steps to consolidate the exchange rate regime and implement the Petroleum Industry Act (2021), actions that are in principle consistent with long-standing IMF and World Bank recommendations. From this perspective, Tinubu appears to be a more decisive president than Buhari. However, sharp depreciation of the naira has worsened consumer price inflation. Although this increases income from oil, oil production remains at about

1.3 – 1.5 million barrels per day. As a result, government expenditure continues to outweigh revenue, necessitating external borrowing. Public debt is rising further, though the debt-to-GDP ratio (50%) remains below the average in sub-Saharan Africa (60%).

The central bank has raised interest rates to curb inflation, even though inflation is largely not driven by productivity growth. This general macroeconomic climate has led to losses for private businesses, slow growth in the non-oil sector and low levels of foreign direct investment.

Insecurity surrounding the elections mainly occurred in the South-East and South-South geopolitical zones, a recurring pattern during election periods. These regions also face renewed instability in the Niger Delta and suffer from violence committed by separatist Igbo groups as well as often indiscriminate police and military counteractions. Boko Haram and the Islamic State West Africa Province group (ISWAP) continue to operate in the North-East, while new jihadi groups such as the Lakurawa and criminal gangs are causing insecurity in the North-West and North-Central zones. Farmer-herder violence persists in the Middle Belt, and the frequency of kidnapping and robbery is on the rise throughout the country.

While the government has failed to address the insecurity spreading across Nigeria, it has managed to prevent large-scale protests through a combination of repression – such as during the #EndBadGovernance protest in August 2024 – and co-optation, exemplified by the approval of a higher minimum wage shortly before the August protests. Media faced government interference during the 2023 elections, including arbitrary arrests, but the situation has since become less intrusive.

History and Characteristics of Transformation

Nigeria became an independent federal state in 1960, breaking free from British rule. However, the journey since then has been tumultuous, marked by coups, military dictatorships, ethnic and religious strife, an attempted secession, and the devastating Biafra civil war from 1967 to 1970. Alongside these struggles, the country has also experienced economic failures. Nevertheless, Nigeria has tenaciously retained its status as a federal state.

Nigeria's Fourth Republic was established in 1999. The People's Democratic Party (PDP) governed for 15 years, with former military ruler Olusegun Obasanjo serving two terms as president until 2007. His attempt at a third term was unsuccessful, and Umaru Yar'Adua, the former governor of Katsina state, assumed the presidency after controversial elections. Yar'Adua's health issues led his vice president, Goodluck Jonathan, to take over leadership. Following Yar'Adua's death in 2010, Jonathan became president and won re-election in 2011.

Under PDP rule, Nigeria saw relatively strong economic growth and significant oil revenues. Combined with international debt-pardoning initiatives, this resulted in substantial reductions in the government's debt. However, these economic gains did not necessarily lead to better living conditions for ordinary citizens, as poverty and inequality persisted and corruption remained widespread. Nigeria also faced serious security threats, including insurgency in the Niger Delta and the rise of Boko Haram insurgents in the northeast, later joined by the Islamic State group.

In the 2015 elections, a new party and president came to power. The All Progressives Congress (APC), formed in 2013, united various opposition parties and attracted key PDP members. Former military ruler Muhammadu Buhari won the presidency, promising to combat corruption, address insecurity and reduce poverty. Yet, in the past decade, the country has experienced weak or negative economic growth, declining revenues, mounting public debt, and a worsening security situation. Although some efforts have been made to strengthen anti-corruption institutions, the country's political elite appears to be continuing with business as usual.

Not all of Nigeria's woes can be blamed on the APC administration. Insecurity was already a serious concern during PDP rule. Similarly, previous PDP administrations relied heavily on oil revenue windfalls and failed to adequately diversify the economy away from oil. An expensive fuel subsidy program, which nonetheless holds significant value for a large portion of the poverty-stricken population, was implemented and retained after failed attempts to remove it in 2012. Since 2015, the APC government has also faced several external crises, including a global oil-price drop, the COVID-19 pandemic, recurrent flooding and widespread insecurity in its Sahelian neighborhood.

Yet the APC government has also implemented economic policies with insufficient preparation, coordination and transparency, contributing to lower standards of living for many of its citizens. A protectionist stance toward agriculture and measures to reduce food imports have led to food price inflation as insecurity in agricultural areas in the north has created obstacles to the production and transport of food. While President Buhari announced the removal of the fuel subsidy at the beginning of his term, the subsidy in fact was simply kept off the public government books and costs rose exponentially during his second term.

Despite the party's policy performance, APC candidate Ahmed Bola Tinubu won the 2023 presidential election, though his victory was not uncontested. President Tinubu has taken new economic policy actions in line with international recommendations, including cutting the fuel subsidy, consolidating the exchange rate regime and reforming the oil sector, but these policies have yet to yield beneficial outcomes, while their short-term effects have negatively impacted the security and well-being of the majority of citizens.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state's monopoly on the use of force remains limited. While territorial control has improved in the North-East region since Boko Haram effectively seized large areas in 2014 – 2015, Boko Haram factions including the Islamic State West Africa Province group (ISWAP) and Jama'atu Ahlis Sunna Lidda'awati wal-Jihad (JAS), as well as other armed groups, continue to operate in the region. Jihadi violence has also spread to the North-West due to the emergence of the Lukarawa group, which operates particularly in Sokoto and Kebbi states. Insecurity is compounded by banditry, often linked to the mining sector. Farmer-herder conflict persists in the North-Central region and has extended beyond it to the southern regions.

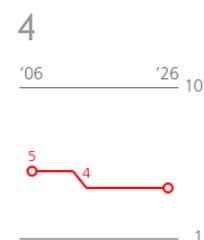
The South-East and South-South zones experienced electoral violence during the February 2023 elections, but this episodic violence has since subsided. The South-East region continues to experience violence attributed to separatist groups, particularly the Indigenous People of Biafra (IPOB), as well as frequent police and military responses that are often indiscriminate. Violent crime, including kidnapping, remains pervasive throughout the country, especially on roads and waterways. The South-South region is a particularly dangerous hotspot for criminal violence associated with cult gangs and sea robbers. The South-West remains the safest region. Separatist movements have emerged but have been contained for now.

Most key political actors and citizens appear to adhere to the constitutional principle that Nigeria is an “indivisible and indissoluble sovereign nation.” Yet there remains wariness among certain groups, especially in the north, that potential changes often proposed by southerners to the federal structure of Nigeria – such as police decentralization and more fiscal independence at the state level – could pave the path to a breakup of the country.

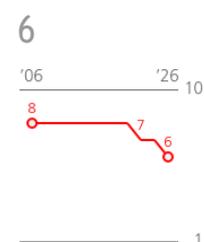
A growing number of groups are also directly challenging the nation-state. Separatist movements in the South-East region, such as the Indigenous People of Biafra (IPOB) and the Movement for the Actualization of the Sovereign State of Biafra (MASSOB),

Question
Score

Monopoly on the
use of force



State identity



as well as those in the South-South (Niger Delta militants), have at least some measure of popular support, while Boko Haram's – and later ISWAP's – challenge to the state has also gained initial support in the North-East. Yoruba groups in the South-West region have also begun calling for independence in the form of an Oduduwa nation. These groups have become more vocal and bolder in the last two years. In spring 2024, a separatist group attempted a coup in Oyo state, but the militants were overpowered by security forces. Regional contestation is not due to a lack of citizenship rights, but many citizens feel their security is insufficiently guaranteed and believe that they are politically and economically marginalized by the federal state.

Nigeria operates a generally stabilizing power-sharing system. For example, presidential candidates must secure 25% of the vote in 24 out of 36 states and the federal capital of Abuja, federal ministers from all 36 states must be included in the government, and each state must be equally represented in the federal public sector. Nevertheless, many feel unfairly treated in this system. Qualified candidates whose state is already overrepresented miss out on public employment opportunities.

The state representation system has also been accompanied by the rule that people must be state “indigenes.” Indigenes receive preferential treatment in public sector employment and educational scholarships, among other areas, compared to “settlers” or Nigerians from other states. The indigene-settler division has, in the past, led to violence in cities such as Jos, though the principle is not necessarily contested in all regions.

The separation of state and religion is guaranteed under the constitution. Moreover, the influence of religious dogma at the federal level is limited, given that Nigeria's population is roughly 50% Muslim and 50% Christian and power-sharing principles require cross-cutting consensus for legal changes. In October 2024 the House of Representatives, particularly its southern members, rejected a private bill initiative aimed at changing the wording on Islamic law in the constitution, which would have allowed the use of Islamic commercial law in addition to the current permissions granted to Islamic personal law.

In the north, where most of the population adheres to Islam, Shariah law has been introduced in 12 states since 1999. In these states, non-Muslims are entitled to bring lawsuits to a secular court or be tried by such a court, while Muslims can appeal to non-Islamic courts. Shariah courts have continued to issue controversial sentences, including amputations and death by stoning. Such sentences have at times been overruled by higher courts. In Kano state, the Islamic police – the Hisbah – is notoriously strict, cracking down on betting shops and non-fasting Muslims. Human rights defenders continue to call for the release of a singer sentenced to death for blasphemy in 2020.

No interference of religious dogmas

4

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1

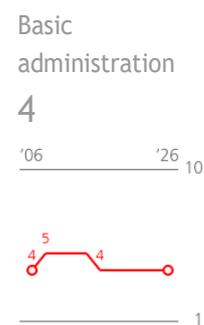
Religious leaders, both Muslim and Christian, serve as intermediaries between politicians and voters and seek to influence policy decisions. Religious networks and appeals played a significant role in the 2023 general elections. The PDP broke informal rotation rules for presidential candidates by selecting former northern vice president Atiku Abubakar instead of a southern candidate in an effort to attract northern voters from the All Progressives Congress (APC). Similarly, the adoption of a Muslim-Muslim ticket by the APC during the 2023 presidential election generated considerable controversy.

Nigeria has an elaborate administrative structure across its territory. Besides the federal government in Abuja, there are 36 state and 774 local governments. At each level, executive, legislative and judicial institutions are in place. The federal government consists of numerous ministries, departments and agencies with overlapping responsibilities. Staffing contributes to a high recurrent non-debt expenditure cost of about 40% – 50% of the federal budget each year. Recurrent spending also outweighs capital expenditure in most Nigerian states.

While administrative structures are in place and employment can be provided to a select few, infrastructure spending is low, facilities and services are weak and corruption is rampant. In an increasing number of areas suffering from widespread insecurity, services are often nonexistent. According to the World Development Indicators, about 47% of the population had access to basic sanitation services, 80% had access to drinking water services and 61% had access to electricity in 2022.

Stark urban-rural gaps exist and partially align with north-south development disparities in education, health and other socioeconomic indicators, leaving the northern regions significantly behind the southern regions. Educational facilities are present throughout the country, but pupil-teacher ratios are high, teaching quality is low and infrastructure is inadequate.

Comparatively, Nigeria's tax capacity is weak, as governments have typically relied on oil revenue to fund their budgets. The country has one of the lowest tax-to-GDP ratios in Africa and mainly relies on corporate income tax revenue. The Tinubu government has expressed an intention to implement substantial tax reforms. At the subnational level, only a few states, including Lagos, have managed to boost their internally generated revenue.



2 | Political Participation

Nigeria has held regular multiparty elections at the federal and state levels since 1999, though elections at the local level have been rare. There is universal suffrage and the vote is secret. The constitution prohibits political parties from having a sectional ethnic or religious character, and a party's base cannot be restricted to a particular geographical area. Independent candidates are not allowed. Most elections have been endorsed as reasonably free and fair by observers, except for those in 2007, after which some important electoral reforms were introduced.

The 2015 turnover of parties holding governmental power in particular held promise for Nigeria's democratic credentials. A myriad of problems remains, however. Media reporting is generally biased toward the incumbent, vote-buying persists, and in some parts of the country – especially in the south – politicians regularly use police officers, soldiers and hired thugs to intimidate voters with violence, attack offices of the Independent Electoral Commission and steal ballot boxes.

In 2022, a new Electoral Act came into effect and was subsequently tested during the 2023 general elections. The Act increased the financial independence of the Independent National Electoral Commission (INEC), expanded its authority in election matters and clarified processes, such as timelines. Nevertheless, INEC faced substantial technical difficulties during the elections. The late publication of results on the new Results Viewing Portal (IReV) led to public distrust of INEC and, to some extent, a loss of confidence in the electoral outcome. Naira and fuel shortages also undermined INEC's operations and voter mobility. In addition, pre- and post-election court cases resulted in differing interpretations of the law and confusion over gray areas. It can be considered a positive development that politicians have increasingly challenged election results in court rather than resorting to violence, but there is concern that decisions could be compromised by Nigeria's corrupt judicial system.

The victory of APC candidate Ahmed Bola Tinubu in 2023 was legally challenged by the People's Democratic Party (PDP) and Labour Party (LP) parties, but the Supreme Court upheld it. Post-election violence was minimal. Ultimately, results matched reasonable expectations with regard to the regional distribution of the vote. The PDP remains the largest opposition party, but its performance was weakened by the emergence of the Labour Party LP, which attracted a considerable share of Igbo voters.

Free and fair elections

5

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1

Elected politicians hold effective power to govern, but the phenomenon of political “godfathers” who fund many politicians in exchange for influence and control remains significant. This dynamic can undermine government decisiveness and proactivity. However, given President Tinubu’s ability to make crucial policy changes in the exchange rate and fuel subsidy policy, the effective power to govern appears to have improved somewhat recently, regardless of the current negative economic impact on citizens.

Given Nigeria’s long history of military rule, the primary veto power player appears to be the army. The emergence of military regimes in neighboring countries and weak international responses to these developments could raise concerns for Nigeria’s future. Current President Tinubu has no military experience – in contrast to presidents Obasanjo and Buhari. Legally, the military is firmly under civilian control with the president serving as commander in chief. High-level military appointments are made by the president upon approval by the National Assembly.

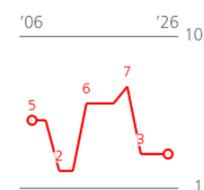
However, there is a lingering suspicion that the military may have more power behind the scenes and could intervene if core interests are at risk. In January 2025, President Tinubu approved a lavish retirement package for military service chiefs and top-ranking officers, offering perks such as bulletproof SUVs, substantial medical allowances, domestic aides and enhanced security. There are suspicions that this move was a strategic attempt to secure their loyalty and ensure the military does not pose a threat to his administration. A potential indication of veto player influence is that the Nigerian Human Rights Commission reportedly found no evidence of abuses in November 2024 following a 2022 Reuters report that the Nigerian military ran a secret, large-scale forced abortion program in the northeast after the Boko Haram insurgency. Similar denials of other widespread human rights abuses by the military and police have also been issued.

The right to freedom of association and peaceful assembly is enshrined in the constitution. In general, civil society is fragmented. Many small-scale initiatives are established by specific religious and communal groups or politicians. The strongest mobilizing power continues to lie with the unions and the Nigerian Labour Congress (NLC). New political parties are required to have sufficient presence across Nigeria, as mandated by the ethnic party ban, but otherwise do not face high fees or strict requirements.

The Tinubu government has continued on the path set out by the Buhari regime, mixing threats, violent repression and co-optation to reduce challenges to its power. Economic grievances due to soaring inflation led to the August 2024 #EndBadGovernance protests in several parts of the country, prompting police and army repression. The protests also lacked critical mass, given the approval of a new minimum wage just before the planned demonstrations. In September 2024, police briefly arrested the NLC leader, causing widespread suspicion of repression since the arrest came shortly after the NLC threatened to strike.

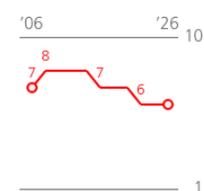
Effective power to govern

3



Association / assembly rights

6



The freedom of expression and freedom of the press are included in Nigeria's constitution. Nigeria is known for its vibrant media landscape, but independent reporting is increasingly threatened, especially during election periods. During the 2023 general elections, journalists were attacked and arrested, including by security forces.

Nigeria's dire economic situation in recent years has reduced the quality of reporting. Independent investigation is today uncommon, news articles copy and paste government statements, and journalists frequently report on politicians or groups that have paid for coverage through what is called "brown-envelope" journalism. Media houses often depend on funding from powerful political actors, which can bias reporting. Freedom of expression is also under threat due to increased government interference, including arbitrary arrest, media closures, fabricated license problems and more.

Reporters Without Borders lowered Nigeria's press freedom rating in 2022 due to frequent suspensions of radio stations, arbitrary arrests of journalists, blocking of news media sites, and the government's decision to ban Twitter between June 2021 and January 2022. Scores have improved since then but have not returned to previous levels. As of November 2024, the Press Attack Tracker hosted by the Center for Journalism, Innovation and Development (CJID) had recorded 140 cases of press freedom violations since President Tinubu's assumption of office in May 2023. The plight of journalists who have been harassed, detained or abducted for days without trial indicates that little has changed since the current administration took office.

3 | Rule of Law

At the federal level, the separation of powers is relatively strong. Laws must be passed by both chambers of the National Assembly, while the Senate must approve all presidential appointments. The president can be impeached for misconduct by a two-thirds majority of each house. The president must assent to all bills passed by the National Assembly, but a presidential veto can be overruled by a two-thirds majority. Appointment to the Supreme Court is carried out by the president upon recommendation of the National Judicial Council and confirmation by the Senate.

The Fourth Republic Assembly is known for its assertiveness. It has overruled a presidential veto in the past, rejected President Obasanjo's bid for a third term in 2007 and regularly adapts executive appropriation plans. However, legislative assertiveness is not necessarily a check on executive power abuses; it is often focused on rent extraction from public resources. Under the Buhari regime, executive orders that bypass parliament have become more frequent. President Tinubu has continued this practice, although the Senate has at times attempted to limit executive excesses. In August 2023, for example, the Senate rejected President Tinubu's request to deploy Nigerian troops to the Niger Republic to combat the Nigerien military junta

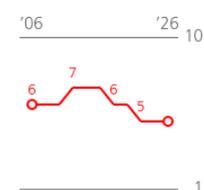
Freedom of expression

5



Separation of powers

5



that had overthrown democratically elected president, Mohammed Bazoum. The Supreme Court has occasionally ruled against both federal and state government actions (and most recently against states' refusal to allocate federation resources directly to local governments), though corruption in the judicial sector remains a concern.

At the federal level, the legislature and the judiciary have considerable financial autonomy. This differs at the state level, where executive dominance over other branches of government is strong. Governors continue to obstruct legal actions that would strengthen the autonomy of the state legislature, judiciary and local governments.

As a federal state, Nigeria has an intricate system of courts at both the state and federal levels. At the federal level, the judicial system includes the Supreme Court, the Court of Appeal and the Federal High Court. At the state level, there are the High Court, Shariah Court of Appeal (where applicable) and Customary Court of Appeal (where applicable). The Federal Capital Territory has the same courts as the states. Other courts and tribunals operate at the federal, state and local levels. Only the Court of Appeal and the Supreme Court can overrule state-level courts.

Appointments to courts established by the constitution are made by the president, or by the governor at the state level, following a recommendation from the National Judicial Council and confirmation by the Senate or House of Assembly. Judges are qualified legal practitioners who meet standards set by the Nigerian Bar Association. The National Judicial Council consists primarily of (retired) senior judges at the federal and state levels.

Financial autonomy is greater at the federal level than the state level, but the issue remains contested and judicial staff continue to fight – using strikes or threats of strikes – for more autonomy and resources. There is a popular belief that corruption is a persistent problem in Nigeria's judicial system, eroding public confidence in the judiciary. In recent years, judicial independence has been undermined and appointments to the bench have been politicized. At all levels, the executive can use bribery, the withholding of resources as well as threats to undermine the independence of the judiciary. For political candidates who have lost an election, legal challenges can be submitted to different courts until a final decision is reached. This process increasingly appears to be a game of who can offer the best bribes in the end.

Independent
judiciary

5

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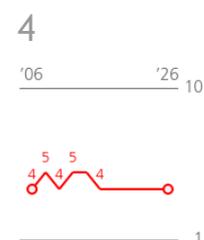
1

Nigeria has a robust anti-corruption legal framework, strong procurement legislation and a National Anti-Corruption Strategy (NACS). However, the country's political system is rife with corruption. The actions of presidents, governors, ministers, commissioners, civil servants, political appointees and parliamentarians often revolve around private rent-seeking and the diversion of public resources. Through power-sharing and quotas, elites from different regions and ethnic groups receive a share of the "national cake," ensuring a relative degree of support for the Nigerian state. Private rent-seeking is therefore the rule rather than the exception.

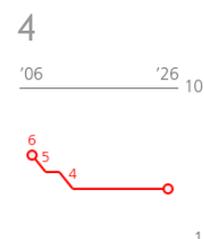
President Buhari came to power in 2015 on an anti-corruption platform but was largely unable to change this situation. The Economic and Financial Crimes Commission and the Independent Corrupt Practices Commission have become more assertive. Recently, high-level political figures have been prosecuted for corruption. For instance, former central bank governor Godwin Emefiele was arrested on corruption charges in 2024. However, corruption allegations often disappear over time or result in pardons. Former Chief Justice Walter Onnoghen, who was convicted for false assets declaration in 2019, was acquitted by the Court of Appeal in 2024. President Tinubu has stated that anti-corruption institutions will continue to be strengthened in terms of funding and autonomy, and has committed to implementing the Economic Community of West African States (ECOWAS) protocol against corruption. In June 2023, President Tinubu suspended Economic and Financial Crimes Commission Chairman AbdulRasheed Bawa from office to ensure that investigations into serious allegations of abuse of office could be pursued. Ola Olukoyede was later appointed Economic and Financial Crimes Commission (EFCC) chairman. Similarly, in January 2024, President Tinubu suspended the Humanitarian Affairs and Poverty Alleviation Minister Betta Edu over the alleged diversion of more than 585 million naira (about \$640,000) of public money into a personal bank account. In Nigeria, past and ongoing efforts to tackle corruption have achieved only minimal results due to a lack of political will to diligently prosecute cases. There is also concern that corruption charges can be used as a political tool against perceived enemies.

The constitution guarantees the rights to life and dignity, but these rights are often violated in practice. Police forces commonly harm ordinary civilians, for example, when individuals do not comply with extortion demands, and violent repression is used during anti-government protests. Non-state armed groups threaten the lives and livelihoods of citizens across the country's territory. Military actions intended to quell such groups regularly harm civilians, and arbitrary arrests, torture and extrajudicial killings are common. Prosecution of perpetrators is rare, and the government usually adopts a strategy of denial. The Nigerian Human Rights Commission in 2024 reportedly found no evidence of human rights abuses by the military in the northeast, despite credible documentation of such actions in a 2022 Reuters report. The killing of protesters at Lekki Toll Gate in 2020 has also gone largely unpunished and uncompensated, although a 2024 ECOWAS court order may prompt further action.

Prosecution of office abuse



Civil rights



The country's human rights situation has not seen significant improvement under President Tinubu's government. The first 15 months of his administration were marked by arbitrary arrests and harassment of journalists, protesters and dissidents by law enforcement agencies. His administration's response to the #EndBadGovernance protest attests to this. More than 1,000 individuals, including 32 minors, were arrested in connection with the protests. The heavy-handed response resulted in at least 30 deaths, underscoring the dangers of the government's approach to dissent. The pretrial conditions of the 32 minors who were arrested over the #EndBadGovernance protest and arraigned only in January 2025 in an Abuja Federal High Court sparked considerable criticism of the government. The president was compelled to grant them pardons following the outrage that followed their continued detention.

Freedom from discrimination – for example, on the grounds of religion, ethnicity, place of origin or sex – is constitutionally enshrined, but in practice the situation is different. The federal quota system in civil service employment and educational admissions has been contested for leading to discrimination. The indigeneity criterion used to determine who receives benefits from the state or local government discriminates against people from different places of origin. Minority groups can be marginalized in terms of local public investments.

Nigeria's gender gap is substantial. Women and girls experience child marriage and sexual violence, receive fewer educational opportunities and are discriminated against in the labor market. Women are poorly represented in government, holding less than 5% of parliamentary seats, and none of the 36 state governors are women.

LGBTQ+ citizens face significant risks. In 2014, an act prohibiting same-sex marriage was adopted; however, it also prohibits same-sex relationships. Violating this prohibition carries prison sentences of 10 to 14 years, but death sentences can be imposed under Shariah law in the northern states that have adopted it. Security forces and vigilante groups frequently abuse LGBTQ+ individuals, and the threat of persecution is real. The frequency of attacks on LGBTQ+ citizens and cases of extortion appear to be on the rise.

4 | Stability of Democratic Institutions

Democratic institutions operate at the federal, state and local government levels. These institutions have functioned with relative stability. Local governments in Nigeria remain strongly subordinate to state governments. Until recently, they were financially dependent on the states. As a result, local elections are rare, and state governors often appoint caretaker local governments rather than conducting elections. The July 2024 Supreme Court judgment granted financial autonomy to the 774 local councils and recognized them as the third tier of Nigeria's governance structure, so the level of influence and control by state governments is likely to diminish significantly. State houses of assembly and judiciary units are also more

Performance of democratic institutions

3

'06 '26 10



significantly influenced by the executive than at the federal level. Disputes between federal and state levels arise (for example, over tax collection) but are generally referred to the court system, including high-profile conflicts over federation allocations (as in Rivers state). In general, elite stability is maintained by Nigeria's system of bargaining, which, through these institutions, ensures various ethnic and regional groups receive a share of national resources.

While the institutions can be considered effective at ensuring elite buy-in, they are largely ineffective at protecting citizens from insecurity, economic recession or inflation. In recent years, government revenues have declined and deficit spending has increased. While President Tinubu has implemented policies in line with international recommendations – such as exchange rate consolidation, oil sector reform and fuel subsidy cuts – it remains to be seen whether these measures will put Nigeria on a better path to growth and development.

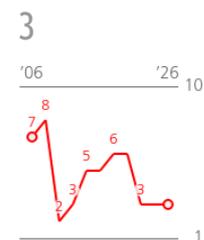
Most elites adhere to democratic institutions, and support for military rule appears to have declined sharply as the Fourth Republic has persisted for more than 20 years. This does not mean, however, that the separation of powers and independent decision-making by countervailing institutions are widely respected. Incumbents use violence and fraud to influence elections. At the state level, governors use financial power to control the legislature and judiciary, while the independence of local governments is widely disregarded, though a recent Supreme Court ruling may bring some change to that. At the federal level, executive-assembly relations are more of a bargaining process. The current National Assembly has been described by some observers as a “rubber stamp” legislature, perhaps even worse than the last assembly, which was blamed for giving President Muhammadu Buhari a free pass to accumulate debt, approving his stream of incompetent appointees, and failing to exercise thorough oversight over budgets and other spending bills. In practice, legislators are more interested in accruing benefits than in general good governance; though sometimes assertive, assembly decisions are not necessarily aligned with the public good. The federal government also seeks to influence the judiciary through bribery or selective prosecution of corruption, though it is not always able to secure favorable outcomes.

5 | Political and Social Integration

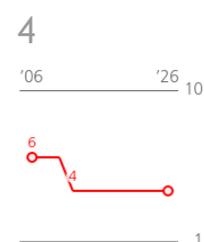
Since the APC's victory in 2015, the ruling party has firmly established itself in most of the north and the South-West region of the country. The PDP, the largest opposition party, has been traditionally strong in the South-South and South-East regions and parts of the North-Central zone. As such, Nigeria has generally shifted to a two-party system after 16 years of PDP rule.

In the run-up to the 2023 elections, a new candidate, Peter Obi, whose promise of change gained popularity especially among young urban voters, reinvigorated the existing Labour Party (LP). Obi's support base was concentrated mostly in the South-

Commitment to democratic institutions



Party system

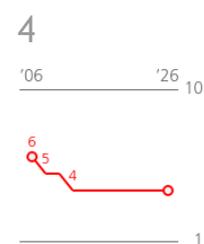


East and South-South zones, mainly among the Igbo ethnic group. While the shift toward a multiparty system may be welcomed because it reduces one-party dominance, the 2023 vote distribution hinted at a return to the tripolar, ethnicity-based party system of Nigeria's First Republic, which led to strong polarization.

Overall, political parties in Nigeria are weak, lack internal cohesion and often prioritize mobilizing ethnic, regional or religious support bases over developing an overarching ideology that transcends these divisions. Because there is virtually no ideology in Nigeria's political parties, defection and intraparty squabbles are common. Currently in Nigeria, the main opposition parties are the PDP and LP, but neither has been able to provide effective opposition to the ruling APC. As a result, programmatic differences between parties are small and they function more as elite vehicles to gain power and resources. Party ties with voters are weak and rely on clientelism. Middle-class citizens are increasingly turning away from politics, and voter turnout rates are generally low (30% – 35%). The 2023 turnout rate was only about 26% – the lowest since the return to democracy in 1999.

Civil society is fragmented and rarely able to overcome religious, ethnic and regional divides in pursuit of a common goal. There are powerful sociopolitical groups such as Afenifere, the Arewa Consultative Forum and Ohaneze Ndigbo that promote ethnoregional interests in Nigeria. Some of these groups have been described as better resembling ethnic elite organizations rather than effective sociopolitical associations that promote the collective interests of their people. Nonetheless, they continue to exert influence and pressure on governments. On rare occasions, they have shown the ability to work together toward the promotion of national unity. The Nigeria Labour Congress (NLC), which in the past was one of the few actors able to mobilize a substantial share of the population, has been weakened through both threats and co-optation. Other unions, including the academic staff union, do challenge the government using strikes. Yet their purposes are narrow, and the government also regularly fails to implement the agreements made. Nigeria has a large number of recognized professional associations, but their lobbying influence is not immediately obvious. Civil society is rarely consulted in policymaking and rarely impacts policy directly in most areas. Politicians and parties also commonly support “fake” civil society groups that advocate for them and undermine challengers. The August 2024 #EndBadGovernance protests faced repression, but they also did not achieve the levels of mobilization witnessed during the 2020 #EndSARS protests.

Interest groups



Afrobarometer surveys have been carried out in Nigeria since the country's return to democracy in 1999. The latest survey round was conducted in March 2022. About 70% of respondents said democracy was preferable to any other kind of government, although 63% said they believed Nigeria was a democracy with major problems or did not consider Nigeria a democracy at all. Only 20% said they were fairly or very satisfied with how democracy worked in the country. In the 2020 survey, these numbers were 75%, 40% and 33%, respectively. While levels of approval of democracy remain high, satisfaction with democracy in Nigeria has clearly declined. Trust in institutions similarly fell between 2020 and 2022. In particular, public trust in the Independent National Electoral Commission (INEC) – the institution responsible for ensuring that elections are free and fair – is declining. The level of public trust in this entity dropped from 31% in 2020 to 23% in 2022. Surveys conducted by Yiaga Africa, a civil society organization, revealed that Nigerians deeply distrusted INEC in the aftermath of the 2023 general elections and the off-cycle governorship elections. Nigerians thus broadly accept the idea and institutions of democracy but question the corrupt way in which their politicians practice it.

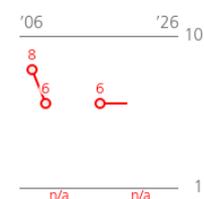
Slow economic growth and rising inflation rates have pushed Nigerians toward self-help initiatives. Religious organizations play an important role in organizing charity. According to the World Values Survey (WVS) conducted in 2018 (WVS Round 7), almost 70% of Nigerians are active members of religious organizations, while the WVS average is around 20%. Active membership rates in sports and artistic organizations, political parties, professional associations, and self-help groups are also somewhat higher than the WVS average. Small-scale initiatives dominate, and bridging social capital across cultural and regional divides has scarcely advanced.

Levels of interpersonal trust are low, as Nigerians have increasingly become victims of scams and violent crime. In 2018, the share of people who said they had trust in others was below the WVS Round 7 average of 27.5%, at just 13%. Levels of trust are also lower than the average expressed in the multicountry Afrobarometer surveys (2022). Friendship and family ties come under pressure in a context of widespread poverty.

Furthermore, the African Polling Institute's Nigeria Social Cohesion Survey (2021) shows that 56% of Nigerians feel quite disappointed in Nigeria, with 73% saying they would be willing to seize any opportunity to emigrate out of the country. Given persistent conditions of insecurity and a poor economic situation, the trend has understandably worsened. The failure of state institutions to provide essential services, especially security, has contributed to a decline in trust. Individuals and communities have devised ways to protect themselves, resorting to self-help through the formation of militias and community defense groups. While these groups have aided in community protection, they have also exacerbated ethnic cleavages and fractured social cohesion in some parts of Nigeria.

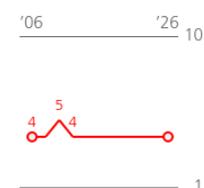
Approval of democracy

n/a



Social capital

4



II. Economic Transformation

6 | Level of Socioeconomic Development

Nigeria's Human Development Index (HDI) score in 2022 was 0.534, dropping from 0.535 in 2021 and a peak of 0.538 in 2019. In 2022, Nigeria was ranked 161st out of 193 countries globally. Nigeria is positioned in the middle of the group of sub-Saharan African countries. The index ranking for Nigeria is significantly lower than its GNI per capita ranking due to the unequal distribution of benefits from oil resources. Nigeria's Gini coefficient was about 35.1 in 2018 (more recent data are not available). Based on the 2018/19 Living Standards Survey, a 2022 World Bank report estimated that 40% of the population lived below the national poverty line of NGN 137,430 per person per year. Poverty rates have increased in recent years as a result of slow growth and significant inflation. The World Bank's Nigeria Development Update of 2024 states that the poverty rate rose from 40% in 2018 to 56% in 2024. Structural inequalities between northern and southern states and between urban and rural areas persist. In the agricultural sector – which employs about 40% of the working population – 70% of farmers are estimated to work at the subsistence level. In addition, inequality across gender lines remains stark, with women structurally marginalized. Nigeria's 2022 score on the UNDP's Gender Inequality Index is 0.677, making it one of the worst performers in sub-Saharan Africa and the world in general.

As of July 2024, Nigeria's minimum wage has been raised to NGN 70,000 per month (below workers' initial demands), but gasoline prices and inflation have continued to rise since the decision. Not all public and private organizations implement the minimum wage.

Economic indicators		2021	2022	2023	2024
GDP	\$ M	440833.6	477403.4	363846.3	187759.7
GDP growth	%	3.6	3.3	2.9	3.4
Inflation (CPI)	%	17.0	18.8	24.7	33.2
Unemployment	%	5.5	3.8	3.1	3.0

Question
Score

Socioeconomic
barriers

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Economic indicators		2021	2022	2023	2024
Foreign direct investment	% of GDP	0.8	0.0	0.5	0.6
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-3254.2	1018.6	6423.2	17215.3
Public debt	% of GDP	26.6	29.8	36.3	39.3
External debt	\$ M	96310.3	103100.0	102481.7	-
Total debt service	\$ M	8058.3	7980.0	9201.5	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public education spending	% of GDP	0.4	0.3	0.3	-
Public health spending	% of GDP	0.5	0.6	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.0	0.7	0.8	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

The Nigerian government generally acts to maintain the principles of a market-based economy, though there are several important constraints. For instance, institutional frameworks lack transparency regarding government taxes, and taxes are often subject to legal disputes – such as a 2024 ruling on levies for broadcasters. Legal requirements for setting up a business can differ from state to state in Nigeria. Licensing and public procurement processes also typically lack transparency and are linked to clientelism. The size of the informal sector is estimated to be higher than 50%, according to a 2017 IMF report. Similar estimates appear in more recent reports. According to the Quarterly Informal Economy Survey of the London-based World Economics, Nigeria’s informal economy is estimated to account for 58.2% of private

Market
organization

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sector economic activity, representing approximately \$1.47 trillion at GDP PPP levels. The International Labour Organization estimates that 93.9% of the labor force is employed in the informal sector.

President Tinubu has generally maintained the previous Buhari government's protectionist stance toward agriculture. In July 2024, the government suspended duties, tariffs and taxes for the importation of major food items such as beans, wheat and husked brown rice to reduce food price inflation, but only for 150 days.

The new APC government has implemented key changes to improve market-based steering of the economy. After taking office, Tinubu quickly consolidated the country's multiple exchange rate regimes and allowed the naira to float, which led to a sharp depreciation. The government also cut the country's costly fuel subsidy, resulting in economic and inflationary repercussions. The subsidy was partially reinstated later to ease the burden of rising prices. Large investments were made to support the new Dangote fuel refinery, though marketers have raised monopoly concerns. The government regulates electricity tariffs but has recently reduced subsidies, especially for large consumers. The new Electricity Act (2023) reduces the federal government's monopoly on generation, transmission and distribution nationwide in favor of states and private market entities

Cross-border movement of capital and labor is allowed. Foreign and domestic private investment is not allowed in certain key sectors, such as arms and narcotics, but foreign investments are generally welcomed. In some sectors, local content policies are preferred, for example, in oil and gas. The government has prioritized attracting new FDI, levels of which have been low in recent years, mainly by offering tax incentives.

The 2018 Federal Competition and Consumer Protection Act is intended to prevent and prohibit anti-competitive practices and regulate mergers, takeovers and acquisitions. The Federal Competition and Consumer Protection Commission was established for this purpose. The commission is a member of the International Competition Network.

Actions are taken to improve competition. The Federal Competition and Consumer Protection Commission (FCCPC) reviews an increasing number of mergers in Nigeria and has also imposed penalties and fines, such as on British American Tobacco (Nigeria) Limited. Most notable is the July 2024 decision to impose a \$220 million penalty on Meta, as well as additional far-reaching remedies for alleged abuse of market power and privacy violations. The company has since threatened to withdraw its services from the country.

The Tinubu government has also reduced the role of the state in the economy in favor of private players, such as in the oil and gas and electricity sectors. Yet while anti-competition policies are in place, it is widely known that in areas such as public

Competition policy

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procurement, competition is unfair and contracts are readily awarded to favored businesses for the private benefit of these businesses and government officials. Certain monopoly players appear to owe their position to political connections, and remain largely untouchable. Import licensing continues to lack transparency. Nigeria has a poor track record with regard to awarding oil blocks (oil mining leases), a process often tainted by fraud and cronyism. Some investors have balked at participating in previous bids due to a lack of transparency in the process.

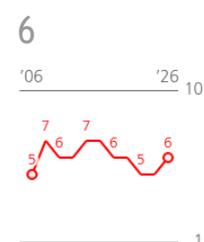
Nigeria is a member of the WTO, ECOWAS and the African Union, and has been a signatory to the African Continental Free Trade Agreement (AfCFTA) since 2019. As of the end of the review period, it was the only country that had not yet signed the West Africa Economic Partnership Agreement with the European Union, leaving the agreement not in force. Nigeria has extensive trade relations with the rest of the world, and foreign trade is liberalized to a significant extent. The country's primary export product is crude oil, while it mainly imports refined fuel, manufactured goods, textiles and food. The country's major trade partners are the United States, the European Union, China and, to a lesser extent, neighboring countries and South Africa. The simple average most favored nation tariff stands at 12.0% (2023). Though at times reluctant, Nigeria has shown broad commitment to foreign trade liberalization.

Especially in agriculture, Nigeria imposes trade restrictions to boost domestic agricultural production and protect the local market. However, the Tinubu regime has appeared to change course somewhat. In October 2023, foreign exchange bans were lifted on some agricultural goods. The dairy exchange ban was lifted in April 2024. Tariffs were also temporarily reduced in summer 2024 in an effort to address food price inflation. However, the government has imposed a maize export ban. Nigeria also maintains import restrictions and foreign exchange bans on cement, though the government has recently announced it may reduce these measures to lower consumer prices.

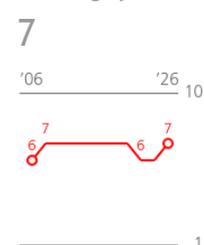
Nigeria's banking sector has to date managed to withstand the challenging economic environment of recent years. However, pressures are increasing. In 2021, the country's central bank began moving toward implementing the Basel III framework, and the banking sector will face stricter requirements with the goal of ensuring financial stability.

The IMF Article 4 consultation of 2024 reports that at the end of 2023, most commercial banks reported profits due to foreign exchange valuation gains, and banks' capital adequacy ratio (CAR) stood at 13.3%. This marks an improvement from end-June 2023 (11%), though the CAR has been declining since 2020. The Central Bank of Nigeria (CBN) conducts stress tests and orders banks to build additional capital buffers when needed. Banks' non-performing loan ratios have remained stable at about 5% since early 2019. The CAR and non-performing loan ratio are in line with international and national guidelines. The Asset Management

Liberalization of foreign trade



Banking system



Corporation of Nigeria (AMCON) – Nigeria’s “bad bank” – has recently recorded profits and is considered to be on a positive trajectory, although banks complain that high costs undermine their operations. AMCON continues to operate, despite its initial mandate to end operations at the close of 2023.

Zenith Bank, First Bank of Nigeria, Access Bank and United Bank of Africa (UBA) are ranked in the top 20 of the 2024 100 Top Banks in Africa ranking. Some Nigerian banks have been downgraded recently, though most have seen improved ratings. The year 2024 saw pivotal shifts in Nigeria’s banking and capital markets sectors. Notably, the Central Bank of Nigeria took decisive steps aimed at reinforcing the resilience of the economy, including a series of monetary policy rate hikes, a banking sector recapitalization and a revision of supervisory guidelines for Bureau De Change (BDC) operators in June 2024. The central bank withdrew the operating license of the underperforming Heritage Bank in 2024.

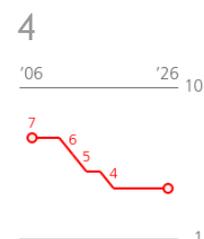
8 | Monetary and fiscal stability

Consumer price inflation has continued to rise, increasing from a rate of 24.7% in 2023 to 34.8% in December 2024. Inflation has been driven by drastic fuel subsidy reductions, the transition to a floating exchange rate and food shortages. The central bank has implemented tighter monetary policies, with the monetary policy rate rising in several steps to a new high of 27.25%. The IMF has praised these measures, as well as further tightening, though other observers worry that because the inflation is not caused by economic growth, these measures could further undermine growth. There is also concern that the inflation is resulting in a negative inflation-currency depreciation cycle.

Nigeria previously operated a system of multiple exchange rates, resulting in a lack of transparency. The naira has depreciated over the last 10 years, with widening gaps between official and parallel exchange rates. When President Tinubu took office, he consolidated the multiple exchange rates and adopted a managed floating regime. In July 2023, the central bank’s official exchange rate was NGN 463 per \$1; by December 2024, this had risen to NGN 1,629 per \$1. Foreign exchange reserves fell to a six-year low of \$32.9 billion at the end of 2023 but recovered somewhat in 2024. The IMF warns that reserves continue to decline under the Assessing Reserve Adequacy (ARA) standard. In 2024, the federal government imposed restrictions on cryptocurrency firms, seeking to curb currency speculation, and several firms faced criminal charges.

Former central bank governor Godwin Emefiele was charged with fraud and corruption in April 2023 and suspended by President Tinubu in June 2023. Tinubu had criticized the central bank’s chaotic naira currency redesign initiative. Olayemi Cardoso was appointed as the new governor in September 2023. These events indicate a political falling out with Emefiele within the APC, and the appointment of

Monetary stability



a new governor supporting Tinubu's change agenda. In August 2024, the Nigerian Senate approved an executive bill amending the Central Bank of Nigeria Act, doubling the ceiling on the bank's ways and means advances to the federal government from 5% to 10%. Earlier, it had proposed stricter controls over the bank in a private bill initiative by subjecting its budget to National Assembly approval and establishing a new Coordinating Committee for Monetary and Fiscal Policies, undermining the bank's independence. A planned public hearing was suspended due to public pressure, in favor of further key stakeholder consultations.

The federal government has continued engaging in deficit spending. Budget deficits exceed 5% of GDP, contrary to provisions in the Fiscal Responsibility Act and international guidelines. The deficit for 2024 is estimated to be around 7.5%. The IMF estimate for Nigeria's 2024 debt-to-GDP ratio is 51.28%, which exceeds the previous figure of 46.4%, but remains below the sub-Saharan African average. The executive continues to overestimate oil production when crafting the annual budget, and has not been able to restore production to pre-2015 levels. This fact necessitates additional borrowing in each fiscal year in the form of external borrowing and crude oil swaps. The depreciation of the naira has also increased the external debt burden. Nigeria's debt has surged significantly in recent quarters, climbing from NGN 49.85 trillion before the 2023 general elections to NGN 134.30 trillion by the end of the first half of 2024. Approximately 55% of this debt is domestic, which has the potential to crowd out private investment.

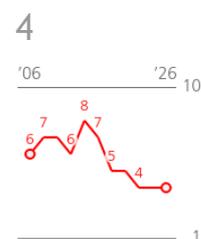
Fitch affirmed Nigeria's sovereign debt rating at B- at the end of 2024 with a positive outlook. Moody's did the same. This suggests the federal government will not need to pay higher interest rates on new loans due to its rating. In July 2024, the government inaugurated the Presidential Economic Coordination Council (PECC) and launched a NGN 2 trillion Economic Stabilization Plan aimed at reviving the economy within a record six months, despite funding challenges. The plan also seeks to reduce interest rates for small, medium and some larger enterprises through targeted funding.

9 | Private Property

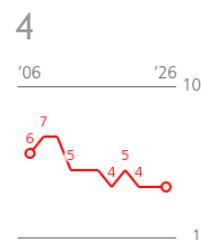
The constitution grants every citizen the right to acquire and own immovable property, but registering private property in Nigeria can be difficult due to opaque and lengthy bureaucratic processes.

The legal situation regarding land in particular has weaknesses. The constitution and the 1978 Land Use Act, which transfers ownership of all land in the country to state governments, mandate compensation if the government acquires land for public purposes. Nevertheless, expropriated communities can find it difficult to prove ownership, even if they have lived in a location for decades, and can be left without compensation from the government. Nigerian citizens may also face claims from

Fiscal stability



Property rights



private actors, including foreigners, asserting ownership of their land. Private actors can collaborate with corrupt state actors and community leaders to acquire land. The scale of land grabbing in the country is becoming alarming, as some governors leverage the provisions of the Land Use Act to allocate lands to themselves and their cronies as a form of political patronage. This land grabbing is caused by a lack of transparency in legal frameworks at the federal, state and local levels. Customary law often discriminates against women in particular.

Nigeria has established a legal framework for intellectual property rights, such as copyright and patent laws. However, enforcement is weak, and piracy is widespread.

Nigeria has legal frameworks that permit and protect private companies, such as the Companies and Allied Matters Act (CAMA) 2020 and the Nigerian Investment Promotion Commission (NIPC) Act 2004, among others. Nigerian governments are increasingly recognizing the importance of the private sector for economic growth, employment and government revenue. Privatization processes in Nigeria are guided by the Bureau of Public Enterprises (BPE) Act, which oversees the sale of state-owned enterprises to private entities. However, the privatization process often fails to be fully aligned with market principles because of systemic inefficiencies and governance issues. President Tinubu has voiced strong commitment to supporting the private sector to achieve reform in Nigeria. This includes a focus on reducing taxes for businesses, for instance by addressing tax multiplicity and improving transparency. The president forwarded four executive bills to the National Assembly aiming to reform taxes by the end of 2024. Several executive orders have also sought to improve the business climate by suspending taxes and duties.

Following the Petroleum Industry Act, the Nigerian National Petroleum Corporation became the Nigerian National Petroleum Company Ltd. in 2022, with the government as the major shareholder. This represents a cautious step toward privatization. President Tinubu is also supporting steps toward further privatization, for example with respect to state refineries. The government has sought to attract private investment to the sector, with some notable successes such as ExxonMobil. Some accuse the government of showing preference to enterprises owned by friends and family members, for example Oando PLC. Private investment is being actively sought in other sectors as well, such as metallurgy with the case of the Ajaokuta Steel Company.

Private enterprise

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10 | Welfare Regime

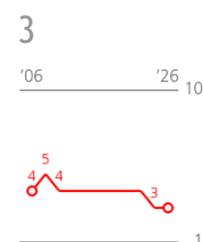
According to the World Bank’s 2022 poverty assessment for Nigeria, the country spent only about 0.3% of GDP on safety net programs. This is significantly lower than the average for low- and middle-income countries, as well as comparator countries in the region. Using data from the 2018/19 Living Standards Survey, it is estimated that just 1.6% of Nigerians live in a household enrolled in the National Social Safety Net Project (NASSP), which is funded by the federal government and the World Bank. Only 2% were enrolled in any other program, such as YouWin, the Inputs-For-Work Program, the E-Wallet Input Subsidy Program, the Growth Enhancement Scheme, N-Power or all other federal, state and local government assistance programs. However, the national school meals program has seen more success, with 14.7% of all Nigerians living in a household covered by the program in the previous 12 months.

The largest welfare scheme in the past was the fuel subsidy, though it was an indirect policy that disproportionately benefited wealthier citizens and came at a high cost for the government. The Tinubu government has drastically reduced the fuel subsidy, leading to high fuel costs and inflation. Some argue that scrapping the fuel subsidy is necessary to achieve a better growth path for Nigeria, but others contend that cushioning measures for poor citizens needed to be put in place first. An \$800 million World Bank loan was approved in mid-2024 to support the National Social Safety Net Program and reduce the negative impact of inflation. President Tinubu stated that the purpose of the loan facility is to expand coverage of shock-responsive safety net support via the disbursement of NGN 8,000 to poor and vulnerable Nigerians following the removal of fuel subsidies and the floating of the naira. Criticisms have been leveled against the cash transfer program, targeting reported discrepancies in the number of beneficiaries, the inadequacy of the financial assistance provided, and allegations of patronage or partisan considerations in the selection of beneficiaries. The loan forms part of the Nigeria Reforms for Economic Stabilization to Enable Transformation (RESET) \$1.5 billion development policy financing loan. Compared to similar initiatives in sub-Saharan Africa and globally, Nigeria’s cash transfer program offers an interesting case study. Only 19.4% of Nigerians benefit from any safety net program, less than the regional 25% and far below the global 41%.

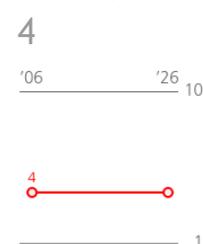
Inequalities persist between the country’s northern and southern regions, as well as between urban and rural areas. These economic inequalities have endured since colonial days, even though some revenue transfer schemes have been implemented. Regional inequalities also overlap with ethnic and religious identities.

As part of their effort to address inequality, Nigerian governments have implemented federal quota systems in areas such as public service employment and public tertiary education admissions. This approach is contentious, as this results in cases in which

Social safety nets



Equal opportunity



individuals from overrepresented regions are not selected even if they have stronger qualifications than those from under-represented regions. Critics argue that the quota systems promote mediocrity and undermine hard work and excellence. Despite legal challenges, efforts to overturn the system have been unsuccessful.

Similarly contested is the indigeneity system, which requires Nigerian citizens to prove their indigeneity in a community to claim quota rights. Some argue this system leads to unequal citizenship rights. Opponents, on the other hand, argue that non-indigenes should not be able to “profit” twice by claiming rights from both their own locality and the community where they reside.

Women are at a disadvantage compared to men in access to education, particularly in the north, as well as in employment. According to the World Development Indicators, the literacy rate for women was 53% in 2021, while it was 74% for men. UNESCO estimated the gross enrollment ratio at the primary education level at 86.72 in 2022, below the sub-Saharan African average. For secondary education, this ratio was 47.24 in 2021, which is close to the sub-Saharan African average. Estimates from 2022 put the female-to-male gross enrollment ratio at the primary, secondary and tertiary education levels at 1.0, 1.0 and 0.7, respectively.

The ILO estimates the female-to-male ratio of labor force participation rates at 80 for 2023, down from a peak of 90 in the early 2000s. The labor force participation rate among women was estimated at 52% in 2023, as compared to 66% among men. Customary law often discriminates against women – for example, in the area of property rights – while official law does not offer adequate protection against risks such as child marriage. Women are poorly represented in executive and legislative institutions. As of May 2024, women constituted only 15% of President Tinubu’s cabinet and made up just 4% of the members of parliament.

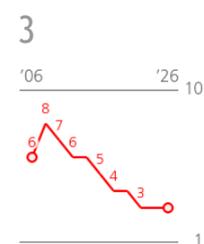
11 | Economic Performance

The Nigerian economy has returned to positive growth rates since the 2019 – 2020 pandemic, but GDP and GDP per capita growth remain slow. GDP growth is projected to be about 3% in 2024, with GDP per capita growth around 0.5%. This indicates a situation of stagnation.

Growth is currently coming mostly in the services sector (information technology, trade and finance) and the agricultural sector. The current account balance turned positive again since 2022, mainly due to reduced imports given the depreciation of the naira, but reserves have declined. Foreign direct investment remains low.

The government, aided by international development organizations, is seeking to diversify the economy away from oil by attracting foreign and domestic investment and improving the business climate. In 2024, funds were put in place by the Nigerian

Output strength



Sovereign Investment Authority to focus on domestic investments in certain sectors of the Nigerian economy, including motorways, health care, power and agriculture. Meanwhile, investments are also being sought in the oil and gas sector with the aim of improving production and boosting government revenue. Crude oil production increased by 8% to an average of 1.42 million barrels per day in 2024, largely due to improved security measures that curtailed crude oil theft and vandalism. It remains to be seen whether the government's reform agenda will pay off.

Nigeria has faced a high rate of unemployment and inflationary pressure in the past decade. The overall unemployment rate increased from 5.0% in the third quarter of 2023 to 5.3% in the first quarter of 2024. Recent inflation pressure has been due to cuts in fuel and electricity subsidies and the depreciation of the naira. Consumer price inflation has continued to rise, from a rate of 24.7% in 2023 to 34.80% in 2024. Central bank interest rates are high, with the goal of curbing inflation, but this may undermine growth. The central bank is expected to continue tightening its monetary policy, which has seen the benchmark interest rate climb from 18.75% at the end of 2023 to 27.5% in December 2024. There is a risk that inflation will lead to further depreciation in a negative spiral. However, officials and analysts project that inflation will start easing in 2025, dropping to a rate of 27.1% by December 2025.

12 | Sustainability

Nigeria faces a range of environmental problems across its territory, including desertification, which partly fuels farmer-herder conflicts; deforestation; erosion; flooding; and pollution, such as that resulting from oil exploitation in the Niger Delta. The Niger Delta has suffered particular neglect for four decades, as the failure to regulate foreign oil companies has led to pollution that has devastated farming, fishing and livelihoods in the area.

Nigeria has a special ecological fund, as well as several agencies at the federal, state and local levels (e.g., the National Agency for the Great Green Wall and the Environmental Protection Agency at the federal level). Various projects and programs have been established, but substantial progress remains elusive. Renewable energy sources account for approximately 80% of all consumption, though this high figure is primarily due to the use of biomass fuel, which leads to deforestation, pollution and health problems. Solar energy in particular has gained popularity, and is supported by the government and international actors (e.g., Solar Power Naija Project).

The 2021 Climate Change Act committed Nigeria to reaching a point of net zero carbon emissions by 2060. President Tinubu has reaffirmed support for this goal, but implementation timelines foreseen in the act have been delayed, particularly with regard to carbon budgeting. In 2023, the administration inaugurated an Intergovernmental Committee on the Carbon Market Activation Plan to realize the

Environmental
policy

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country's carbon market. The Electric Buses Rollout Program announced at COP28 would form part of this plan. The government has stated Nigeria has attracted more than \$2 billion in investment in the renewable energy sector in the past decade, making it a fast-growing sector in the economy. The Energy Transition Plan (2022) commits the country to an energy shift, but only over the long term. In the shorter term, aided by changes made through the Petroleum Industry Act (2021), the country continues to seek investments in the oil and gas sector with the goal of boosting production and increasing revenues. Environmentalists are resisting a government plan to resume oil production in the restive Ogoniland region on the grounds that the decision disregards the long-standing environmental destruction, economic hardship and social injustices endured by the Ogoni people due to decades of exploitative oil operations.

Lagos state and Abia state introduced bans on certain types of single-use plastics in 2024. The federal government has banned them in its ministries and agencies. Implementation may prove challenging.

According to World Development Indicators data, the share of government expenditure allocated to education in Nigeria declined from 9.3% in 2015 to just 4.4% in 2023. This is significantly below the sub-Saharan African average of 14%. President Tinubu has raised this share to 6.5% in the proposed 2025 budget. The WDI 2022 estimate places public investment in education at 0.35% of GDP.

Primary education is free and compulsory, but according to UNICEF, only 61% of 6- to 11-year-olds regularly attend primary school. Attendance rates are lower for girls, especially in northern Nigeria. The organization warns that out-of-school rates have been rising in recent years. Insecurity has contributed to this situation, as armed groups have targeted schools and children and kidnapping is on the rise.

The quality of learning in schools is considered low. While governments typically establish new educational institutions across the country to serve a wider range of people, resources have not increased over time (although the 2025 budget may be a turning point). As a result, resources are stretched thinner and the quality of infrastructure and teaching has declined.

Most of the country's school buildings are currently in a dilapidated state, and universities underperform in research due to lack of funding, outdated facilities, low salaries and high electricity costs. In the tertiary education sector, Academic Staff Union of Universities (ASUU) strikes are frequent. An increasing number of lecturers at public universities are relocating abroad in what is described as the "Japa" wave, due to Nigeria's harsh economy. Private education is becoming increasingly popular, and many Nigerian political elites send their children abroad to study. Private education is rarely affected by union strikes, while ordinary Nigerians bear the consequences.

Education policy /
R&D

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Apart from educational institutions, Nigeria has established a substantial number of government research institutes, such as the Nigerian Institute for Social and Economic Research and the Nigerian Institute of International Affairs. However, these often serve clientelist purposes.

The only available World Bank Development Indicator estimate for the share of GDP spent on R&D is from 2019. The estimate was 0.28%, lower than the estimated sub-Saharan African average of around 0.5%.

Governance

I. Level of Difficulty

Nigeria became independent with deep socioeconomic inequalities between regions, with the northern regions particularly disadvantaged compared to the south. These inequalities largely remain in place. The country has high levels of ethnic and religious diversity, and these lines of cultural identity also carry political significance. Legacies of marginalization and distrust undermine policymaking.

State administrations govern a large territory. Especially in the northern regions, this can be difficult, and spillover effects from instability in the Sahel region, including the spread of weapons, can spur violence in Nigeria. Nigeria is facing one of its worst economic crises in recent history with high rates of poverty, unemployment, inflation and insecurity. As of 2023, Nigeria's labor force consisted of about 89 million people. About 76.6 million Nigerians in the labor force are without post-secondary qualifications, highlighting a significant gap in educational attainment that could hinder Nigeria's future economic growth and development. As of 2024, about 14.4% of Nigerian youths aged 15 to 24 were identified as neither attending school, employed nor participating in any form of training. A 2024 World Bank report indicates that 47% of Nigeria's population lives below the international poverty line of \$2.15 per day.

The country has the largest population in Africa and faces high population growth rates, which in turn affect GDP per capita growth. Slow growth and persistent inflation have worsened poverty and food insecurity. These economic strains have pushed vulnerable groups such as youth into criminality and violence. Organized crime, such as kidnapping, banditry and internet fraud, is on the rise across the country. Nigeria is increasingly experiencing the consequences of climate change in the form of desertification and flooding. The incidence of malaria and other infectious diseases remains high.

Since the 1970s, Nigeria has transformed into an oil-dependent economy. In principle, oil could have brought new wealth to the country, which the political elite could have used to redress structural inequalities. Yet mismanagement has created an oil-dependent economy that only serves narrow political interests. Significant infrastructural deficits persist in the face of oil wealth. As of June 2023, Nigeria's total infrastructure stock amounts to 30% of its GDP, falling considerably short of the international benchmark of 70% set by the World Bank.

Structural
constraints

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Currently, economic growth rates and more than half of government revenues depend largely on international oil prices, making the country highly sensitive to price shocks. Other sectors have suffered because of this overreliance on oil and the failure to diversify the economy, as have, arguably, international trade regimes. Food imports are significant but vulnerable to exchange rate fluctuations. The recent depreciation of the naira has led to marked food price inflation.

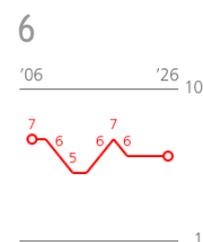
The oil economy has fueled significant political corruption and has provided little benefit to ordinary citizens. International actors, including oil companies, also share responsibility for this corruption dynamic. Negative consequences such as Dutch disease and environmental pollution in oil-producing areas have not been adequately addressed.

Civil society traditions are fairly strong in Nigeria, but civil society remains fragmented. Many groups exist, often based on communal or religious ties, but relatively few cross-cutting civil society organizations can exert real pressure on the government. Larger interest groups such as the Arewa Youth Forum, Afenifere and the Christian Association of Nigeria often have ethnic and religious political agendas. Labor unions have played an important role in the past, for instance challenging military rule. However, unions have appeared weaker in recent years, and have been increasingly co-opted by the government. A number of NGOs are very active in critical areas such as democracy, humanitarian aid, youth empowerment, peace and conflict resolution, gender issues, and disability. Most receive funding or grants from international donors. NGOs such as BudGIT, CDD, CLEEN Foundation and Yiaga are among the most visible in promoting transparency, public safety and democracy. However, there are also many small “democracy” advocacy groups that appear to be linked to political actors and primarily serve to discredit opponents.

Nigeria has long had a diverse media sector, and news reports and editorials do not shy away from criticizing the government. Nevertheless, in recent years, Nigeria’s difficult economic situation has put pressure on media houses, undermining reporting standards. Media outlets are also often tied to factional political interests, reducing their credibility. Governments have increasingly clamped down on the media sector as well.

Civil society appears to have weakened in recent years. Notably, while the Tinubu government has implemented policies that have increased costs in Nigeria and pushed millions further into poverty, it has faced few challenges from civil society actors. The August 2024 #EndBadGovernance protest did not gain much traction, though this was partly due to repression.

Civil society traditions



Conflict intensity is very high, and conflict frequently takes place along ethnic and religious lines. Nigeria is ethnically diverse, home to more than 300 ethnic groups; the largest are the Hausa-Fulani in the north, the Igbo in the southeast and the Yoruba in the southwest. About half of the population is Muslim, mostly in the north, and the other half is Christian, mostly in the south. The prominence of ethnicity and religion in the society is partly a consequence of the characteristics of colonial rule, which have not been sufficiently addressed since independence. While Nigeria has adopted power-sharing policies intended to ensure support for the federal state, this support seems increasingly limited to a narrow elite level, where it is maintained by political corruption. Even among the elite, perspectives on federalism, decentralization and power-sharing remain polarized, especially along the north-south axis.

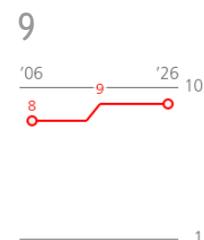
Violent contestation against the Nigerian state was particularly intense in the mid-2000s in the Niger Delta region, where oil production operations have proven detrimental to ordinary citizens. This contestation has only been partially tempered by an amnesty program, and criminality and unrest remain a concern in the region. The Boko Haram insurgency in the northeast began in earnest in the early 2010s. Currently, the group has split into several factions that continue to cause insecurity in the region. Banditry and jihadi violence are also pervasive in the North-West region. Farmer-herder conflict continues in the North-Central zone and increasingly in other regions. In the South-East, separatist movements have become increasingly violent, spurred by government repression. Recently, South-West separatist movements have grown bolder; for example, there was a failed Oyo state coup attempt in 2024. Kidnapping for ransom has grown in severity, frequency and geographical spread, and has emerged as the most prevalent violent crime across Nigeria.

II. Governance Performance

14 | Steering Capability

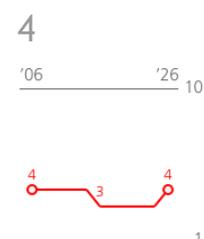
The Buhari government's policies often appeared haphazard and were largely ineffective in addressing poverty and insecurity, its main policy goals. Since Tinubu has taken power, poverty and insecurity have increased. Nevertheless, the government appears to demonstrate more strategic prioritization with its reform agenda aiming to boost market-based growth in Nigeria. President Bola Ahmed Tinubu's Eight-Point Renewed Hope Agenda is designed as a transformational strategic framework to address Nigeria's socioeconomic challenges and drive sustainable development. As a part of this agenda, the government has cut fuel and electricity subsidies, consolidated the multiple exchange rate regime into a single

Conflict intensity



Question Score

Prioritization



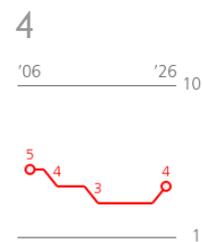
managed floating currency, reduced levies and taxes, and begun the process of tax reform. Tinubu's policy legacy as Lagos state governor appears to influence federal policies today, especially in the areas of infrastructural development and economic reform. The 700 km Lagos-Calabar coastal highway, which his government has embarked upon, is regarded as one of the country's most ambitious – and most controversial – infrastructure projects. The project has been launched without an environmental and social impact assessment (ESIA) conducted. For now, the economic situation has yet to improve as a result of this reform, but the government's commitment and follow-through appear credible. While the fuel subsidy removal was partially dialed back, this may have been a strategic intervention aimed at avoiding too much negative impact on the economy. Government insiders observe that Tinubu's electoral victory also came with many political appointments serving as payback for those who brought him to power as president. For instance, there are allegations of conflict of interest on the part of President Tinubu in the award of the Lagos-Calabar Road project to Hitech Construction Ltd. Continued patterns of clientelism and corruption may undermine strategic prioritization on one hand; on the other, they may guarantee sufficient buy-in for Tinubu's reforms.

The federal government under President Tinubu has managed to build consensus and implement several long-standing recommendations from international development organizations, including reducing fuel and electricity subsidies and consolidating the exchange rate. It is also making progress on tax reform and expanding social safety nets. From that perspective, policy implementation has improved.

Nevertheless, the government continues to fall short of achieving its revenue targets, necessitating additional borrowing during the fiscal year. Capital expenditure targets, crucial for investments in infrastructure and the economy, have repeatedly been missed. Only about 50% of appropriated expenditure is effectively implemented, including in 2023. Capital releases to ministries, departments and agencies (MDAs) in the first half of 2024 were undermined due to new procedures. The target of NGN 14 trillion is unattainable.

Failure to prioritize specific projects also means many projects are only partially funded, such as only a few kilometers of planned roads being completed in various areas, while the depreciation of the naira means projects are becoming more expensive and less can be accomplished with projected funds. Overall, implementation continues to suffer from political corruption and entrenched patronage networks at the cabinet and parliamentary levels, as well as across the wider public sector. In addition, high inflation rates, rising debt levels, insecurity and public skepticism continue to pose significant obstacles to the success of reforms.

Implementation



Policy learning is comparatively weak. Government revenue projections continue to be well off the mark, especially regarding oil production estimates, and expenditure is increasingly funded by debt. There appears to be no convincing plan to address this situation. Political speeches frequently announce higher capital expenditure, while actual spending lags significantly. Ministries, departments and agencies generally maintain a business-as-usual approach in planning, with some projects lacking a clear underlying strategy despite national development strategies.

The government has developed long-term strategy plans but lacks regular and transparent monitoring procedures. The government publishes regular budget implementation reports, which generally indicate failures to reach policy targets, but these public reports may still be more positive than the reality.

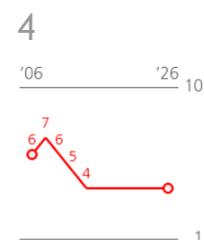
The Tinubu government is receptive to lessons from international development actors, as seen in its recent decisions to engage in exchange rate consolidation, fuel subsidy cuts and measures to improve the business climate. However, his flagship reforms have not been preceded by comprehensive strategies, robust implementation plans or communication efforts. President Tinubu may be drawing lessons from his time as Lagos state governor, where high growth rates were achieved through market-based reform and collaboration with international actors.

15 | Resource Efficiency

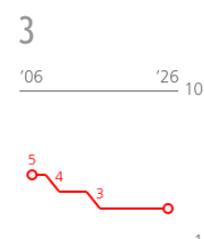
Nigerian governments at all levels have bloated administrations, with jobs often awarded on a clientelistic basis regardless of examination processes in place. Many civil servants are effectively idle. Realized non-debt recurrent expenditure accounts for 36% of all spending, a larger share than debt servicing and capital expenditure. The Tinubu government has stated it continues to aim for lower levels of non-debt recurrent expenditure. This includes an embargo on unauthorized recruitment by ministries, departments and agencies (MDAs). Recruitment requests are being required to first obtain financial clearance from the Budget Office of the Federation. The Integrated Payroll and Personnel Information System (IPPIS) continues to be implemented for MDAs that are not yet covered by the scheme. Similar measures under the Buhari government have not made much of a difference in the past, though.

Budgeted capital expenditure has reached increasingly high levels over time, though actual expenditure continues to lag significantly. Many projects are initiated and receive partial funding in a given budget year, but subsequent funding is not guaranteed, and projects can incur significant delays if additional funds are not secured. These delays can lead to abandoned projects or to projects that require additional expenditures to repair damage resulting from delays, particularly in areas such as infrastructure. Corruption remains pervasive, with contracts frequently awarded at inflated prices, only partially completed, or never executed at all.

Policy learning



Efficient use of assets



Policymaking at both federal and state levels tends to be siloed, and it appears that little effective coordination occurs. There are, however, official platforms in place, including the National Economic Council and the National Council on Agriculture and Rural Development. At the federal level, the Office of the Secretary to the Government of the Federation, the Ministry of Finance, and the Budget Office are responsible for coordinating between different ministries, departments and agencies (MDAs). Yet some MDAs do not even forward their budgets to central coordinating structures, and can thus be difficult to control. This can lead to policy inconsistencies and surprises.

There is also friction between federal and state governments over joint responsibilities, including in the area of education. For example, one level of government might wait years for the other to contribute its negotiated share, or the federal government could hand over a facility that is then left unused by the relevant state government. President Tinubu has established an economic advisory committee and a Presidential Economic Coordination Council, which includes himself, key ministry figures, the National Assembly's leadership, representatives of state governors and members of the private sector. This body has the goal of better developing and coordinating policies.

Inadequate collaboration among agencies within the nation's judicial system, as well as among Nigeria's various intelligence and security agencies, is responsible for the slow pace of justice administration and persistent insecurity in the country.

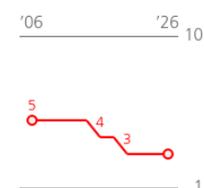
Preventing farmer-herder conflicts is a particularly complex coordination issue because it requires extensive collaboration between federal and state governments, with state governments responsible for land rights. For years, effective policymaking has been partly hampered by a lack of collaboration between the federal government and the multiple state governments involved (e.g., on topics such as open grazing bans or settlement policies). The Tinubu government has stated that it continues to rely on cooperation from state governments for the provision of land for herders. A newly created Ministry of Livestock Development will need to implement effective coordination.

As Buhari and others did before him, APC President Tinubu has stated that fighting corruption is a top priority for his administration. The president has vowed to expand funding and strengthen the autonomy of anti-corruption agencies, and says he will implement the ECOWAS protocol against corruption. At the same time, Tinubu gained power by relying on alliance politics and needs to repay those who supported him by allowing corrupt access to public resources. This entrenched pattern of Nigerian politics has not fundamentally changed.

After coming to power, high-level political figures have faced arrest on charges of corruption and abuse of office. This includes former central bank Governor Godwin Emefiele and – notably – the chairman of the Economic and Financial Crimes

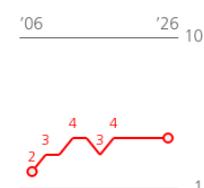
Policy coordination

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Anti-corruption policy

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Commission (EFCC). Both were suspended by the president. While corruption is widespread and thus a plausible charge in Nigeria, high-profile arrests often have political motives as well.

The EFCC and the Independent Corrupt Practices Commission are responsible for prosecuting and charging corrupt officials. Auditor-generals operate at the federal and state levels but do not prevent corruption in practice. The Independent Corrupt Practices Commission reviews actual project implementation. At the state level, weaker anti-corruption systems exist. Legislatures are subject to greater executive influence at the state level, though legislatures do not necessarily prevent corruption. Moreover, some aspects of the budget are not subject to monitoring, as demonstrated by the infamous “security vote” payments to state governments, which were intended to help curb crime and violence. Nigeria’s defense and security sectors have long been plagued by significant corruption. However, President Tinubu has resisted calls to investigate alleged corruption in past and ongoing military operations across the country.

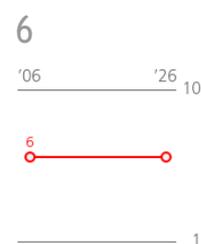
The Freedom of Information Act has been used increasingly by media actors and citizens to challenge corruption in Nigeria. BudgIT, an NGO, for example, analyzes government budgets and their implementation and makes data available to the public.

16 | Consensus-Building

Major political actors in Nigeria generally agree with the current regime constellation. The military, often viewed as a potential threat to democratic consolidation in Nigeria, has repeatedly affirmed its commitment to the defense of democracy. Yet further democratic consolidation receives insufficient support. Democratic institutions, such as political parties, are in place. Structurally, political parties in Nigeria lack an ideological base and are used only as special-purpose vehicles for securing state power through elections that are mostly flawed. Political parties are generally weak, leading to a lack of internal cohesion. Moreover, in most political parties, women are only weakly represented in leadership and decision-making circles and policymaking processes. Political corruption and practices of sharing the “national cake” among Nigeria’s main elite actors persist. The rent-seeking importance of government positions also leads to regular election violence and fraud. Real accountability to voters beyond short-term electoral clientelism has yet to be established.

The market economy has gained more support since President Tinubu took office. While the Buhari administration placed more emphasis on state intervention in the economy, the Tinubu government has introduced several economic policies as part of a broader effort to reform and liberalize Nigeria’s economy. His administration cleared a foreign exchange backlog of more than \$7 billion owed to foreign airlines, a measure that has increased foreign investors’ trust in the Nigerian economy. It has

Consensus on goals



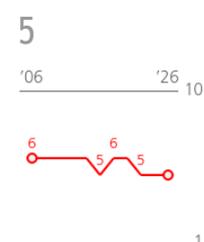
also reduced external trade barriers, cut taxes, reduced subsidies and moved toward a managed floating exchange rate. However, in exchange for supporting the implementation of these changes, it is likely that vested interests have demanded ongoing protection. Observers note that Tinubu has relied heavily on political appointments – with the underlying expectation of corruption – to reward those who brought him to power and to allow him to advance his policy agenda. In the oil sector, the Petroleum Industry Act of 2021 was intended to boost transparency and increase private investments, but licensing, contracting and price intervention practices often remain obscure. Nigerian business mogul Aliko Dangote has entered the oil market with a fuel refinery, leading to accusations of monopolization. Dangote continues to receive preferential treatment by government actors.

It is difficult to determine who truly qualifies as a democratic reformer in Nigeria. Political actors often campaign on platforms of good governance, anti-corruption and poverty reduction, but generally without achieving significant results. Nigeria’s main political parties, the APC and PDP, are interelite networks united by private interests rather than by shared policy goals. In his former position as governor of Lagos, current President Tinubu expanded the government tax base and promoted privatization to spur growth and provide public goods in that state. Nevertheless, corruption and elite bargaining dynamics remain dominant in Lagos, with President Tinubu still serving as a “godfather” patron. The same economic strategies now appear to be employed at the federal level. While they may bring positive economic changes – though likely primarily over the long term, as the poverty rate has increased in the last two years – meaningful democratic reform may not accompany this development.

Currently, political actors at the federal level (in the APC party) are pushing for democratization at state levels, which are known bastions of subnational authoritarianism. Granting more autonomy to local governments and judicial institutions at the state level would be a logical step forward with regard to enhancing democracy quality. However, this democratization could also be used to weaken (PDP and other) state governors in relation to the center, allowing for more top-down decision-making and ultimately undermining democracy. While democratically minded civil society organizations, academics and international observers align with efforts against state-level authoritarianism, both the genuineness of key actors’ democratic commitment and the ultimate outcome remain uncertain.

Security forces, both army and police, continue to act with little regard for the lives and livelihoods of ordinary Nigerians, and civilian state actors rarely challenge their abuses effectively.

Anti-democratic
actors



Nigeria's political elites have maintained national unity through a series of power-sharing elite agreements implemented across federal, state and local levels. Despite these practices, significant divisions remain within the country. Insecurity and crime persist in the Niger Delta region, while separatist unrest in the southeast is gradually declining. The northeast continues to struggle with armed violence perpetrated by jihadi militants, and Islamist violence and banditry are now pervasive in the northwest. Farmer-herder conflicts continue in the central region. Separatist groups in the southwest are also resorting to violence.

President Tinubu's government continues with a kinetic approach to containing these conflicts, involving the deployment of military and police forces. In some instances, these kinetic measures have resulted in accidental air strikes on civilian populations. In addition to violence, the federal government has also used demobilizing, deradicalizing and reintegrating (DDR) initiatives such as the Operation Safe Corridor program, and has offered amnesty measures for repentant terrorists and bandits. State governments in the North-West region have tried such approaches as well. As yet, these measures have achieved little success.

At the elite level as well, there have been signs that adherence to power-sharing practices is weakening, with possible implications for conflict management. During the 2023 general elections, APC and PDP presidential candidates violated informal power-sharing conventions between the north and the south and between Christians and Muslims. The success of Peter Obi as the Labour Party's presidential candidate during the 2023 elections, especially in the South-East region among the Igbo people, signals an increased sense of marginalization among Igbo citizens and potential further polarization.

While several official fora are in place, civil society's impact on policymaking can be considered limited, and the government rarely adapts its policies based on civil society wishes or pressure. Nevertheless, religious actors have become significant political players, as they increasingly connect voters with politicians. Often, religious actors are interested in monetary exchanges, but they may also influence policies. For example, the introduction of Shariah law in the north has been associated more with elites' attempts to secure votes than with particular zeal. Similarly, ethnic interest groups have successfully pressured political actors to defend regional interests and positions. Democracy advocacy groups have little influence. Civil society organizations have recently challenged President Tinubu's government over its response to growing public discontent fueled by corruption, economic hardship and policies that adversely affect ordinary Nigerians. They have criticized the disturbing trend of security agencies being used to suppress dissent, particularly through actions targeting labor groups and civil society organizations advocating for accountability, transparency and social justice. In mid-2024, President Tinubu inaugurated a Presidential Economic Coordination Council that includes members from the private sector, including Aliko Dangote. These members will serve a one-year term. Private

Cleavage /
conflict
management

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Public
consultation

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actors have also been included on the president's economic advisory committee. This demonstrates the president has attributed greater importance to seeking private actors' advice.

Reconciliation for past injustices does not feature prominently on the government's agenda. For many Igbos, an acceptable reconciliation agreement to conclude the Biafra civil war (1967 – 1970), in which an estimated 1 million people, mostly easterners, died, has not been achieved. The repression of separatist movements and the continued state detention of Indigenous People of Biafra organization leader Mazi Nnamdi Kanu undermines efforts toward genuine reconciliation and conflict deescalation in the South-East region. The two main political parties' unwillingness to present an Igbo presidential candidate continues to fuel perceptions of marginalization in the South-East.

The Niger Delta insurgency has been partially quelled since 2007 through a presidential amnesty program in which payoffs to rebels in exchange for stable oil production have been prioritized over communal reconciliation. The federal government, in collaboration with international actors, continues to run a reconciliation and reintegration program for Boko Haram fighters through its Operation Safe Corridor (OSC) program in the North-East, but community acceptance of fighters remains difficult to achieve. The military recently launched the OSC program in the North-West for bandits willing to surrender their arms unconditionally. This act reflects a double standard, particularly when compared to the state security forces' aggressive repression and crackdown on separatists in the South-East. Victims of army and police violence in Nigeria are often ignored. In 2024, for instance, the ECOWAS court condemned Nigeria for the 2020 Lekki toll gate killings and ordered victim compensation.

17 | International Cooperation

International actors continue to collaborate with Nigerian governments to achieve development, and Nigeria is a partner in the Sustainable Development Goals (SDGs). The major focus of Western donors is on stimulating private sector growth (including in the agricultural sector), boosting employment and supporting a renewable energy transition. The European Union Support to Democratic Governance in Nigeria (EU-SDGN) is one of the prominent international initiatives aimed at improving and strengthening democracy in the country. Nigeria also partners with China, particularly on public infrastructure projects. The IMF provides advice on achieving fiscal and monetary stability.

Development partners and governments appear to have similar long-term development goals, and the strategies for achieving these goals have become more aligned since President Tinubu took office. Tinubu's efforts to cut fuel subsidies and consolidate the exchange rate regime are consistent with long-standing

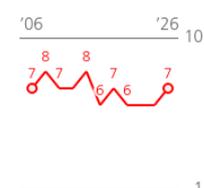
Reconciliation

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Effective use of support

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recommendations from development actors. These new policies have received commendation from the IMF and World Bank, a fact that may prove beneficial. In mid-2024, the World Bank approved \$1.5 billion for the Nigeria Reforms for Economic Stabilization to Enable Transformation (RESET) Development Policy Financing Program and \$750 million for the Nigeria Accelerating Resource Mobilization Reforms (ARMOR) Program for Results. These stabilization loans are intended to reduce the burden of the reforms on citizens. The World Bank remains committed to supporting Nigeria with these reforms. This support is likely crucial for the success of the reform agenda.

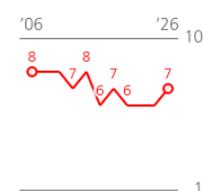
Nigeria generally aims to establish itself as a reliable partner on the world stage, and the country is a member of multiple international organizations (e.g., U.N. bodies, WTO, ILO, the African Union, ECOWAS). The country typically demonstrates goodwill by ratifying international treaties in the areas of human rights, labor, arms control, the environment and trade. Nigeria works closely with the IMF, the World Bank, USAID and international NGOs in the areas of development and peacebuilding.

In recent years, international state actors have largely agreed to continue viewing Nigeria as a credible and reliable partner. National and international NGOs and observers have documented threats to human rights in the country and flagrant abuses by police and military actors, such as extrajudicial killings, torture and forced abortions. However, although international actors have issued mild statements, they have not fundamentally changed their approach to Nigeria, given the country's strategic value as Africa's largest electoral democracy and a major oil producer. Current government policies that align with development partners' priorities are likely to further dampen political criticism of Nigeria. On the economic front, President Tinubu has taken a less protectionist stance, for example by removing import restrictions, a policy that has been well received by international trade partners.

Nigeria remains close to its Western allies, particularly the United States. President Tinubu has faced criticism for his government's apparent closeness to the French government and for his handling, as chairman of the Authority of ECOWAS Heads of State and Government, of the military coup in neighboring Niger Republic. In mid-August 2024, protesters taking aim at the rising cost of living in several Nigerian states waved Russian flags, as took place in prior demonstrations in Burkina Faso and Niger. This prompted the arrest of protesters, as Nigeria sought to reaffirm its image to former allies.

Credibility

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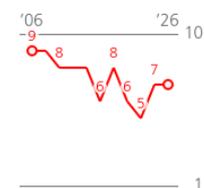
Nigeria has traditionally sought to act as a leader in the West African subregion. Among other initiatives, it led and largely funded ECOWAS peacekeeping interventions in Liberia and Sierra Leone in the 1990s and early 2000s. It currently has about 150 peacekeepers deployed with the ECOWAS mission in Guinea-Bissau and hosts the ECOWAS commission, parliament and court in Abuja.

ECOWAS and broader regional collaboration efforts in the Sahel region have been severely weakened in recent years. Military coups in Burkina Faso, Mali and Niger have put serious strain on regional relations. The majority of ECOWAS member states imposed economic and financial sanctions on Niger following the July 2023 military takeover there, seeking to pressure the regime to return to democratic governance. Nigeria cut its electricity supply to the country under the framework of the West African Power Pool project. In January 2024, the three countries stated they would withdraw from ECOWAS, and they later formed the Alliance of Sahel States (AES). In response, ECOWAS lifted its sanctions. Nigeria and Niger share a long border and closely collaborate on insecurity issues and infrastructure projects such as a railway and a gas pipeline. In August 2024, Nigeria and Niger signed a security cooperation agreement, despite the tensions in place since the 2023 coup in Niger. This collaboration is ongoing but could be shaky ground. While Tinubu has stated that he wants Nigeria to take a leading role on the continent, diplomatic actions within the framework of ECOWAS have not been successful. On Jan. 29, 2025, despite a six-month extension offer from ECOWAS, the AES countries formally withdrew from the Community.

The Multinational Joint Task Force (MNJTF), which includes troops from Cameroon, Chad, Niger and Nigeria, continues to operate in the Lake Chad territory. Violence in northwest Nigeria also affects northern Benin and southern Niger, but collaboration between neighbors in this region is less advanced. In southeast Nigeria, the country borders Cameroon's secessionist Anglophone region, and violence has spilled over the border. Multiple camps for Cameroonian refugees have been set up, and Nigeria has agreed to collaborate militarily with Cameroon to quell the secessionist insurgency given its own secessionist threats in the region. In mid-August 2024, the Cameroon-Nigeria Mixed Commission stated the countries would resolve their own border dispute peacefully and not resort to the International Court of Justice.

Regional cooperation

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Strategic Outlook

Over the past two years, Nigeria has descended further into its vicious cycle of economic and physical insecurity. The number of Nigerians facing hunger and poverty has increased due to high levels of inflation, and political and criminal violence are on the rise across the country's territory.

When President Tinubu came to power in mid-2023, he brought a reform agenda aimed at shifting Nigeria toward a steeper upward growth path. Part of this agenda included implementing long-standing recommendations from international development organizations, such as cutting the fuel subsidy and consolidating the exchange rate regime. In the short term, these measures have contributed to increasing the poverty rate in Nigeria and have potentially exacerbated insecurity, as the loss of livelihoods has led some people to crime and radicalism. International actors continue to support the reform agenda, particularly through the approval of several World Bank loans.

National safety net expansion may soon relieve the heaviest burdens on Nigerians, but it remains uncertain whether federal government measures will succeed at increasing revenue over the medium or long term by expanding the tax base and increasing oil production, or by diversifying the country's drivers of economic growth. Deepened poverty and high central bank policy rates intended to curb inflation currently pose significant risks for the economy. Foreign direct investment continues to remain at a low level. One important event to watch will be the publication of the results from the ongoing rebasing of the economy, which involves changing the base year used for estimates from 2010 to 2019. The previous rebasing occurred in 2014 and resulted in a significant increase in estimated GDP.

On the political level, the federal government should carefully evaluate and consider pressures to change Nigeria's federalism formula, as well as manage tensions between ethnoregional blocs in the country while doing so. Calls for state police have not abated, for instance. With separatist violence prevalent in the South-East and smoldering in the South-West, polarization is likely to heighten if high-level political actors continue to ignore these issues. The defeat of Labour Party candidate Peter Obi in the 2023 general elections may have further entrenched resentment among Igbos in the South-East who wish to see an Igbo president. The continued detention of Indigenous People of Biafra leader Nnamdi Kanu also reinforces feelings of marginalization among the Igbo people of the South-East. President Tinubu will almost certainly seek a second term in office in 2027, so South-Eastern ambitions are not likely to be fulfilled in the coming years. This should warn elites to employ additional measures of rapprochement and inclusion.

The Tinubu government has stated it wants to strengthen Nigeria's international role. In West Africa, initial assertiveness has been undermined by divisions within ECOWAS, which are not likely to be resolved soon. Collaboration with neighboring countries has not halted widespread spillovers of insecurity for now, and Nigeria's growing closeness to France under President Tinubu will complicate efforts to encourage the AES to rejoin ECOWAS. Military weakness has diminished Nigeria's previous image as a peacekeeper on the continent. However, Nigeria remains firmly committed to its Western allies, and this is likely to continue in the coming years.