



SINCE 1957

Nigeria's Next Economic Frontier

***Turning Macroeconomic Stability into Jobs,
Production and Shared Prosperity***

Baba Yusuf Musa, PhD

Presidential Address Delivered at the
67th Annual Conference of the
Nigerian Economic Society (NES)
held at NAF Conference Centre,
Kado, Abuja, Nigeria.

September 8, 2026

Nigeria's Next Economic Frontier

*Turning Macroeconomic Stability into Jobs,
Production and Shared Prosperity*

Nigeria's Next Economic Frontier

*Turning Macroeconomic Stability into Jobs,
Production and Shared Prosperity*

Baba Y. Musa, PhD

**45th President and Chairman, Governing Council
Nigerian Economic Society (NES)**

Presidential Address Delivered at the
67th Annual Conference of the
Nigerian Economic Society (NES)
held at NAF Conference Centre,
Kado, Abuja, Nigeria.

September 8, 2026

NIGERIAN ECONOMIC SOCIETY
P R E S I D E N T I A L P A P E R

Nigeria's Next Economic Frontier

*Turning Macroeconomic Stability into Jobs,
Production and Shared Prosperity*

© 2026, NES - Nigerian Economic Society

Published in Nigeria by
The Nigerian Economic Society Secretariat
Plot 3086, Michael Okpara Street, Zone 5,
Wuse District, FCT, Abuja, Nigeria.
Website: www.nigerianeconomicsociety.org.ng

All Right reserved

ISBN:978-978-694-782-2

Printed by
Artsmostfare Prints, Nigeria

Contents

Foreword	XIII
Abstract	1
Executive Summary	5
1 Introduction: A Platform, Not a Home	11
1.1 The Moment We Are In	11
1.2 The Spirit of the Argument	12
1.3 The Central Question and the Argument	12
1.4 Method, Evidence and Treatment of the Figures	14
2 Recognising the Progress: Stabilisation, Revenue, Foreign Exchange and Confidence	17
2.1 Why We Begin With Recognition	17
2.2 Macroeconomic Stabilisation	18
2.3 Revenue Mobilisation	19
2.4 Foreign-Exchange-Market Reform	20
2.5 Restoring Investor Confidence	21
2.6 The Evidence Base and the Honest Limit	21
3 Beyond Stabilisation: The Human Dimension of Adjustment	25
3.1 An Honest Acknowledgement	25
3.2 The Squeeze on Households	26
3.3 The Squeeze on Businesses	27
3.4 Why Recognition Matters for Policy	27
4 The Central Challenge: From Indicators to Livelihoods	29
4.1 Stating the Task Plainly	29
4.2 The Four Objectives	29
4.3 Why the Challenge Is Hard	30

5 The Prosperity Paradox: The Gains We Must Now Extend	31
5.1 A Disconcerting Divergence	31
5.2 The Depth, Texture and Geography of Deprivation	32
5.3 Inequality and the Path Without Action	33
6 The Jobs Illusion: Growth Without Work	35
6.1 A Headline Figure That Misleads	35
6.2 Where the Jobs Are	35
6.3 Where the Output Is	37
6.4 The Export Paradox	38
6.5 The Arithmetic of Elasticity	39
6.6 Elasticity Against the Employment Base	41
6.7 Agriculture and Trade Are One Proposition, Not Two	44
6.8 Where to Concentrate, and When: A Phased Employment Sequence	46
6.9 The Youth Dimension: Entrants, Absorption and the Backlog	48
7 Diagnosis: Why the Bridge to the Household Is Broken	55
7.1 Structural Transformation, Stalled	55
7.2 The Six Fractures	57
8 Evidence and Ideas: A Brief Review	59
8.1 Why a Review Matters	59
8.2 Structural Transformation and the Lewis Tradition	59
8.3 Jobless Growth and Premature Deindustrialisation	59
8.4 Conflict, Security and Production	60
8.5 Beyond GDP	60
8.6 The Nigerian Evidence	61
9 The Jobs and Production Compact: A Covenant for Shared Prosperity	63
9.1 The Idea of a Compact	63
9.2 The Eight Pillars	64
9.3 The Open Digital Area: A Youth-Skills and Investor-Innovation Zone	69

9.4 Measurable Targets to 2030	72
9.5 A Worked Demonstration: What Agriculture and Livestock Alone Would Deliver	74
10 The Employment-Intensive Sectors	93
10.1 Why These Six	93
10.2 Agriculture and Agro-Processing	94
10.3 Construction and Housing	94
10.4 Light Manufacturing	94
10.5 Tourism and Hospitality	95
10.6 The Creative Economy	95
10.7 Digital Services	95
10.8 A Just Transition for the Oil-Producing Communities	96
10.9 Climate Resilience as an Employment Strategy	97
11 Labour-Intensive SMEs and the Productivity of the Informal Economy	101
11.1 The Backbone of Employment	99
11.2 Easing the Three Constraints	99
11.3 Raising Productivity in Agriculture and the Informal Economy	100
12 The Digital and AI Frontier: Productivity Without Displacement	101
12.1 The Central Worry, Answered	101
12.2 Digital Infrastructure: Electricity, Broadband and Data Centres	103
12.3 Digital Skills and the Future of Work	105
12.4 Technology Adoption in Agriculture, Manufacturing and SMEs	105
13 Measuring What Matters: Beyond GDP	107
13.1 The Case Against GDP as a Sole Gauge	107
13.2 A Shared Prosperity Dashboard	107
13.3 Governance and Accountability	110
13.4 A Labour-Market Information System	111
14 Financing the Compact and Making It Work	113
14.1 Financing Without Fresh Fragility	113
14.2 A Financing Rule and the Debt Constraint	114
14.3 Sequencing and Early Wins	116

14.4 A Diaspora Investment Compact	116
14.5 Who Pays and Who Benefits	117
15 International Lessons: Jobs Compacts That Worked	119
15.1 Learning From Peers	119
15.2 What the Successes Share	120
15.3 A Caution	121
16 Sequencing, Risks and the Political Economy of Delivery	123
16.1 Sequencing	123
16.2 Risks and Mitigations	123
16.3 The Political Economy of Reform Continuity	124
16.4 A Compact Delivery Authority	125
16.5 Who Does What, and When	125
16.6 Limitations	126
17 Conclusion: The Prosperity We Owe	129
References	131
Appendix A Methodological Notes	135
Appendix B Consolidated Targets and the Shared Prosperity Dashboard	139
Appendix C Sector Fact Sheets	142
Appendix D Indicator Source Register	145
Appendix E The Open Digital Area: Implementation Roadmap	147
Appendix F Delivery Architecture and the First Twenty-Four Months	148
Appendix G The Delivery Matrix: Who Does What, and When	150
G.1 Phase 1 , – Foundations (2026–27)	150
G.2 Phase 2 , – Scale-up (2028–29)	152
G.3 Phase 3 , – Consolidation (2030)	153
Appendix H The Federal–State Agriculture and Livestock Compact	155
Glossary of Key Terms	163
Author’s Profile	165
Index	169

Figures and Tables

Figures

Figure 2.1 The stabilisation dividend: inflation, December 2024 versus December 2025.....	18
Figure 2.2 Rebuilding the external buffer.....	19
Figure 2.3 Revenue mobilisation: raising the tax-to-GDP ratio.....	20
Figure 2.4 Foreign-exchange reform: closing the parallel premium.....	21
Figure 3.1 The sacrifice: food prices up, real incomes down.....	27
Figure 5.1 The prosperity paradox: poverty rising as inflation falls.....	31
Figure 5.2 Multidimensional poverty by group.....	32
Figure 6.1 Where output is versus where the jobs are.....	37
Figure 6.2 Oil and gas against agriculture: exports, output and employment.....	39
Figure 6.3 Employment elasticity by sector, against the job-rich threshold	42
Figure 6.4 The accumulating backlog: entrants without productive work, 2026–30.....	51
Figure 7.1 Stalled structural transformation	56
Figure 9.1 The Compact: eight pillars raised on the platform of stabilisation	64
Figure 9.2 The rural fracture: the productivity gap and the food emergency	66
Figure 9.3 The Open Digital Area: indicative delivery path to 2030.....	71
Figure 9.4 Cumulative agrifood employment to 2030 under alternative growth paths.....	83
Figure 9.5 Where the nine million jobs arise: on-farm and off-farm employment.....	84
Figure 9.6 Agricultural exports against the food import bill.....	87
Figure 10.1 Employment intensity of the priority sectors.....	93
Figure 12.1 The digital enabling environment.....	104
Figure 13.1 The Shared Prosperity Index: baseline versus 2030 target	109
Figure 14.1 Financing the Compact.....	114
Figure 15.1 The wage-job gap: Nigeria against peers.....	119
Figure 16.1 The delivery sequence: what each partner does in each phase	126

Tables

Table 2.1 Key evidence base.....	22
Table 6.1 Employment by economic sector, Nigeria.....	36
Table 6.2 GDP share, employment share and labour absorption.....	38
Table 6.3 Employment elasticity, employment base and jobs per point of growth.....	43
Table 6.4 Agrifood employment at alternative agricultural growth rates	45
Table 6.5 A phased employment sequence: where to concentrate, and when?.....	47
Table 6.6 The Nigerian labour force: employment, unemployment and underutilisation.....	49
Table 6.7 The annual labour-market balance: entrants against absorption	50
Table 9.1 The Open Digital Area: indicative targets to 2030.....	71
Table 9.2 Core Compact targets, 2025 to 2030.....	73
Table 9.3 Headline 2030 target by pillar.....	74
Table 9.4 The agrifood value chain: where the work is created.....	77
Table 9.5 The livestock chains: employment and external-sector channels	81
Table 9.6 The demonstration reconciled with the arithmetic of Chapter 6	83
Table 9.7 The demonstration: consolidated outcomes.....	89
Table 10.1 Priority sectors: opportunity, constraint, intervention.....	96
Table 12.1 Digital enablers: gap and priority action.....	104
Table 13.1 The Shared Prosperity Dashboard.....	110
Table 14.1 Indicative financing scenario.....	115
Table 15.1 Selected international lessons.....	121
Table 16.1 Principal risks to delivery and their mitigations.....	124
Table B.1 Consolidated 2030 targets and dashboard.....	139
Table C.1 Priority-sector fact sheets.....	142
Table C.2 Why agriculture employs more.....	143
Table D.1 Indicator source register.....	145
Table E.1 The Open Digital Area: implementation roadmap.....	147
Table F.1 The first twenty-four months: actions, owners and verification	148
Table G.1 Phase 1 , – Foundations (2026–27): commitments by partner	151
Table G.2 Phase 2 , – Scale-up (2028–29): commitments by partner...	152
Table G.3 Phase 3 , – Consolidation (2030): commitments by partner	153

Table H.1 Federal, state and private responsibilities under the Compact	156
Table H.2 Illustrative allocation of value chains to production clusters	158
Table H.3 Commodity baskets by policy objective.....	159
Table H.4 Performance scorecard for the Pillar VIII matching grant.....	160
Table H.5 The agriculture and livestock dashboard.....	162

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY

67TH
**ANNUAL
CONFERENCE**

Foreword

It is both a privilege and a responsibility to place this Paper before the profession and the nation. The Nigerian Economic Society has always understood its mandate as extending beyond scholarship to providing independent, evidence-based counsel on the major economic questions confronting Nigeria. This Paper is offered in that tradition.

Nigeria stands at an important economic juncture. The difficult reforms of recent years have begun to correct longstanding macroeconomic imbalances and restore a measure of stability. That progress should be acknowledged. But stability is a foundation, not a destination. The next economic frontier is to translate stabilisation into production, productive employment, rising real incomes and improved living standards for ordinary Nigerians.

That transition cannot be delivered by macroeconomic policy alone. It requires a coordinated national effort linking fiscal, monetary, agricultural, industrial, trade, infrastructure, technology and human-capital policies to the creation of productive opportunities at scale. This Paper gives expression to that imperative through a Jobs and Production Compact, a reciprocal covenant among the Federal Government, state governments, the private sector, labour and citizens.

The Compact recognises two realities that can no longer be treated as peripheral. Security is an economic imperative: land that cannot be safely cultivated produces neither food nor jobs, while insecurity raises the cost of investment, transportation and commerce. Equally, agricultural transformation must be substantially state-led, because many of the instruments required to unlock Nigeria's agricultural productivity, land, extension services and local infrastructure, lie within the states.

The Paper also proposes an Open Digital Area to connect young Nigerians more effectively to skills, enterprise and opportunities in the emerging digital economy, turning our commitment to youth employment into a functioning system with an address, rather than merely a sentence in a policy document.

This Paper is therefore not a critique of reform. It is an argument for its consolidation and next phase: moving from macroeconomic stabilisation to production, jobs, productivity and shared prosperity.

I offer it not as the final word, but as a contribution to a national conversation that Nigeria must now have. If it helps move that conversation from aggregates to households, from stabilisation to production, and from growth to jobs and shared prosperity, it will have served its purpose.

Dr Baba Y. Musa

President and Chairman,

Governing Council, Nigerian Economic Society &

Director General,

West African Institute for Financial and Economic Management (WAIFEM)

Abstract

Nigeria has made important progress in resetting the foundations of its economy. The reforms undertaken in recent years, including petrol subsidy reform, changes to the foreign-exchange framework, far-reaching tax reforms and a more disciplined monetary policy stance, have strengthened the basis for macroeconomic stability, improved revenue mobilisation, rebuilt external buffers, moderated inflationary pressures and helped restore confidence in the economy. These are significant achievements, secured through difficult policy choices and considerable adjustment by households and businesses. The task now is to build on these gains and ensure that improving macroeconomic conditions translate more rapidly and visibly into better economic opportunities and living standards for Nigerians.

This is the central proposition of the paper: stabilisation has created a stronger platform, but its ultimate success will be judged by what follows. Nigeria's next economic frontier is to convert that platform into higher production, productive employment, rising productivity, lower living costs and sustained improvements in real household incomes. This is particularly urgent in an economy where an estimated 3.5 million young Nigerians enter the labour market each year, while the pace and quality of job creation remain insufficient to absorb them into productive employment.

The paper examines why renewed economic growth has not generated jobs at the scale required; quantifies the emerging employment gap and its cumulative implications; and identifies the employment-intensive sectors capable of driving a more job-rich pattern of growth. It establishes measurable ambitions for employment, productivity, exports and real household incomes, and considers how artificial intelligence and digital technologies can raise productivity and expand opportunity without

deepening labour-market exclusion, provided that infrastructure, skills and technology adoption advance together and that the occupational transition is actively managed. It further argues for a broader assessment of economic performance that complements GDP growth with measures of employment, productivity, purchasing power and household welfare.

The Paper makes two contributions, and distinguishes them deliberately, since they are different in kind and should be judged by different standards. The first is diagnostic and empirical: an assessment, drawn from official Nigerian data, that the country's central economic problem is not the rate of growth but its composition and its transmission to households, that output has expanded in sectors with weak employment elasticities and thin linkages to the incomes of the majority. The second is a contribution to policy design rather than to empirical research: the Jobs and Production Compact and its supporting institutional architecture, offered as a proposed framework for correcting the disconnect the diagnosis identifies. The evidence assembled here supports the diagnosis; the architecture is a proposal, and is presented as such.

These strands converge in the paper's principal policy proposition: a Jobs and Production Compact, a reciprocal covenant among the Federal Government, state governments, the private sector, labour and citizens to translate reform into production, productive employment and shared prosperity. The Compact is organised around eight mutually reinforcing pillars, including security for productive peace and state-led agricultural transformation, recognising that insecurity constrains production and investment, while much of the institutional machinery required to unlock Nigeria's agricultural potential resides within the states. It is supported by a credible financing framework, operationalised for young Nigerians through an Open Digital Area connecting skills, enterprise and opportunity, and anchored to a national performance dashboard for transparent measurement and accountability.

The Compact is therefore offered not as an alternative to Nigeria's reform programme, but as its consolidation and next phase: a framework

for moving from stabilisation to production, from growth to jobs, and from improving macroeconomic indicators to rising real incomes and shared prosperity. The central message is simple: the foundations are being reset; the next task is to build upon them an economy that produces more, employs more and delivers more broadly for the Nigerian people.

Executive Summary

The reforms built a platform for prosperity. The work now is to build the house upon it.

The Proposition

Macroeconomic stability is a platform, not a destination. Nigeria stands at its next economic frontier: the crossing from improving aggregates to improving lives.

The Progress

Since 2023, four interlocking reforms, subsidy removal, foreign-exchange unification, tax reform and monetary tightening, have delivered a measurable stabilisation dividend. Headline inflation fell from 34.80 percent in December 2024 to 15.15 percent in December 2025, and food inflation from 39.83 to 10.84 percent. Gross external reserves rebuilt towards fifty billion dollars by mid-2026 and net reserves, the measure that strips out short-term liabilities, reached US\$34.80 billion at the end of 2025, against US\$3.99 billion two years earlier. The naira steadied, revenue mobilisation improved, and investor confidence began to return. These achievements are real and are honoured here without qualification.

The Price of Stabilisation

That adjustment was not costless. Households and businesses bore significant hardship, above all through the surge in food prices and the erosion of real purchasing power. A credible prosperity agenda must

begin by acknowledging this sacrifice and by resolving that it will be redeemed.

The Central Challenge

The next task is to translate improving indicators into livelihoods. The obstacle is a disconnect between growth and jobs. Nigeria's difficulty is not open joblessness, under the prevailing methodology headline unemployment is low, but the *quality* of work: only about 17 percent of workers hold formal wage jobs, most citizens are in informal, low-productivity activity, and growth has been concentrated in sectors that create few jobs. Poverty rose from an estimated 56 percent in 2023 to 63 percent in 2025, some 140 million people, over the very period in which inflation fell. The correct object of policy is *productive employment*. The composition of that growth is the heart of the matter. Real estate, information and communication, oil and mining, and finance together produce about 30 percent of national output and employ some 1.2 million people out of 84 million; agriculture, trade and manufacturing produce 52 percent of output and employ 59 million. A naira of growth in the first block generates roughly one twenty-seventh of the employment of a naira of growth in the second. Chapter 6 sets out that arithmetic in full and translates it into a phased sequence for the capital budget.

The Programme

The paper advances the Jobs and Production Compact: a covenant of reciprocal commitments among four national partners, resting on eight pillars. Pillars I to VI reorient growth towards the employment-intensive sectors; raise the productivity of labour-intensive SMEs and the informal economy; build human capital and align skills to jobs; pursue an industrial and export strategy for wage employment; establish a social-protection floor; and adopt a deliberate sub-national and regional strategy. Pillar

VII, Security for Productive Peace, treats insecurity as what it has become, the binding constraint on agricultural output in the food belt, in a country the World Bank ranked in September 2025 as having the largest absolute number of people facing high acute food insecurity, 30.6 million. Pillar VIII, State-Led Agricultural Transformation, addresses the largest single productivity gap in the economy, agriculture employs about 30 percent of Nigerian workers, more than any other sector, at a fraction of the value added per worker of industry and modern services, through five-year compacts signed by each State Governor and a federal matching grant released against verified output.

The skills pillar acquires an operating instrument: the Open Digital Area, a national network of six zonal hubs and eighteen state nodes in which any young Nigerian can earn a market-relevant credential and any investor can appraise a due-diligence-ready innovation in days rather than quarters. It targets five million credentialed young people and two million linked jobs by 2030. A dedicated chapter shows how AI and digital technology, underpinned by electricity, broadband and data centres, matched by digital skills, and diffused across agriculture, manufacturing and SMEs, can raise productivity while aggregate employment still expands, since employment growth is output growth less productivity growth. The composition of work will nonetheless shift, and managing that occupational transition is treated here as part of the policy task rather than as a by-product of growth.

The Demonstration: What One Pillar Would Deliver

A schedule of targets is not an argument. Section 9.5 therefore works a single pillar through to the household, the factory gate and the balance of payments. Applying the employment coefficients of Chapter 6 to the Compact's own phased agricultural growth path, the agriculture and livestock system alone would create approximately nine million jobs by 2030, roughly half of them off the farm in processing, aggregation, wholesale, logistics, retail and export services. It would raise the level of

GDP by about six per cent, and improve the external accounts by some six billion dollars a year, rising towards thirteen billion at maturity as agricultural exports grow and the ₦7.65 trillion food import bill falls. Those figures are not a separate forecast; they are the arithmetic of Table 6.4 accumulated over five years, and the operating instrument is set out at Appendix H. One pillar, in short, carries close to three-fifths of the Compact's employment target, on a matching grant defined as a share of existing revenue and a reallocation within the existing capital envelope.

Financing and Accountability

The Compact is financed from the revenue gains of the tax reform, the reallocation of subsidy savings, efficiency gains in public financial management and crowded-in private capital, not from a return to the imbalances of the past. Both new pillars are designed to fit inside that rule: the Pillar VIII matching grant is defined as a share of an existing revenue stream, and the Pillar VII commitments are largely a reallocation and sequencing of expenditure already appropriated.

Accountability rests on a Shared Prosperity Dashboard that measures the economy beyond GDP, tracked to firm 2030 targets and published annually with a scorecard for each partner; on a Rural Safety Index and an Open Digital Area (ODA) panel that carry release conditions for money; on a Labour-Market Information System that makes every pillar measurable quarterly at local-government level; and on a small Compact Delivery Authority with the right to publish without clearance. Who does what, and by when, is set out partner by partner and phase by phase in the delivery matrix at Appendix G; the first twenty-four months are scheduled at Appendix F.

The Test

The measure of success will not be the elegance of the indicators but the plain fact of whether the Nigerian household is better off, in work, in income, and in dignity, than it is today.

1 Introduction: A Platform, Not a Home

Stabilisation was the first act, not the whole play. This chapter states the question the rest of the paper answers.

1.1 The Moment We Are In

Every period of economic policymaking is shaped by a defining challenge. For Nigeria in recent years, that challenge was to restore stability and confidence in an economy confronting persistent inflationary pressures, foreign-exchange imbalances, weakening fiscal space and longstanding structural constraints. Difficult policy choices followed. Petrol subsidy reform, changes to the foreign-exchange framework, tax reforms and a more disciplined monetary policy stance have begun to reset the foundations of the economy and restore a measure of macroeconomic stability.

That progress matters. But it also changes the question before the country.

The question now is not simply whether Nigeria can stabilise its economy, but whether that stability can be translated into tangible improvements in the lives of its people. The next economic frontier is therefore to convert improving macroeconomic conditions into production, productive employment, rising real incomes and a sustained improvement in household welfare. This paper is devoted to that frontier.

1.2 The Spirit of the Argument

The argument of this paper is neither to diminish the reforms nor to suggest that the difficult choices behind them were unnecessary. Many were overdue, and the resolve required to undertake them should be acknowledged. They have created something valuable: a stronger platform from which the next phase of economic transformation can proceed.

But a platform is not a home. A foundation acquires its full value from what is built upon it. In the same way, macroeconomic stabilisation acquires its ultimate economic and social value when it supports investment and production, creates productive jobs, raises real incomes and improves living standards.

The purpose of this paper is therefore not to reopen the case for or against reform. It is to ask what must now be built upon the foundations that reform has established.

That requires a balanced assessment. Chapters 2 and 3 accordingly recognise both the progress achieved and the adjustment borne by Nigerian households and businesses. Both matter. A credible account of the reform period must acknowledge the gains without overlooking the costs, and recognise the costs without discounting the gains. It is from that balanced position that the paper turns to the unfinished agenda.

1.3 The Central Question and the Argument

The central question is straightforward:

How can Nigeria convert improving macroeconomic stability and renewed growth into productive employment, rising household incomes and durable poverty reduction?

The paper answers this question in four parts. Part I establishes the starting point: the progress achieved through reform (Chapter 2), the adjustment experienced by households and businesses (Chapter 3), and the central challenge that remains (Chapter 4). Part II examines the

disconnect between improving macroeconomic indicators and household welfare: the persistence of poverty despite moderating inflation (Chapter 5), the need to reframe the jobs challenge around productive employment (Chapter 6), its structural causes (Chapter 7), and the supporting evidence (Chapter 8).

Part III turns from diagnosis to prescription. It presents the Jobs and Production Compact and its eight mutually reinforcing pillars (Chapter 9), identifies the employment-intensive sectors capable of generating jobs at scale (Chapter 10), develops the SME and informal-sector productivity agenda (Chapter 11), and sets out a strategy for harnessing digital technology and artificial intelligence for productivity and employment (Chapter 12).

Part IV addresses implementation and accountability: how economic success should be measured beyond GDP (Chapter 13), how the Compact can be credibly financed (Chapter 14), what relevant international experience can teach Nigeria (Chapter 15), and how implementation should be sequenced, governed and de-risked (Chapter 16). Chapter 17 concludes with a call to action.

Two contributions, distinguished. It is worth stating at the outset what kind of claim each half of this Paper makes, because the two are different in character and should be assessed differently.

The first contribution is *diagnostic and empirical*. Drawing on official statistics from the National Bureau of Statistics, the Central Bank of Nigeria and the World Bank, Chapters 5 to 8 argue that Nigeria's central difficulty is not an inadequate rate of GDP growth but the composition of that growth and its weak transmission to household welfare. That growth–employment–welfare disconnect is measurable, and the Paper quantifies it through sectoral employment elasticities, sectoral employment bases, and the accumulating backlog of labour-market entrants. This is the Paper's analytical claim, and it stands or falls on the evidence set out in Part II.

The second contribution is one of *policy design*. Chapters 9 to 16 propose the Jobs and Production Compact, its eight pillars, the Open Digital Area, the Rural Safety Index, the Labour-Market Information System and the Compact Delivery Authority. These are proposed institutional arrangements, informed by the diagnosis and by comparative experience (Chapter 15), but they are not empirical findings and are not offered as such. Their targets are ambitions; their parameters are indicative in the sense set out in Section 1.4; and their feasibility is a question of political economy, addressed in Chapter 16 and qualified in Section 16.6.

The distinction matters for the reader. *The empirical contribution of this Paper is the diagnosis of the growth–employment–welfare disconnect; the policy contribution is the proposed institutional framework for correcting it.* A reader may accept the first and contest the second without inconsistency, and the Paper is written so that the two can be read separately.

Across these chapters runs a single proposition: macroeconomic stability is indispensable, but its ultimate purpose is prosperity. The next phase of Nigeria's reform journey must therefore be judged increasingly by its capacity to expand production, create productive employment, raise real incomes and improve the everyday welfare of Nigerians.

1.4 Method, Evidence and Treatment of the Figures

This is a policy paper grounded in the most recent available evidence from the National Bureau of Statistics (NBS), Central Bank of Nigeria (CBN), relevant fiscal authorities, Nigerian Economic Summit Group (NESG), World Bank, and other authoritative sources where appropriate.

The analysis deliberately employs transparent methods, including simple equations and worked illustrations, so that the reasoning underlying the paper's principal conclusions can be readily understood and independently verified.

Two conventions govern the use of quantitative evidence. First, all material quantitative claims are traceable to their underlying sources. Appendix D provides an Indicator Source Register, identifying the primary source, data vintage and reference for each major indicator. The intention is to make the paper auditable and reproducible rather than requiring the reader to accept its numerical claims at face value.

Second, the paper maintains a clear distinction between reported statistics and analytical or policy illustrations. Certain elasticities, indices, scenarios, worked examples and targets are necessarily indicative: they are employed to clarify relationships, test the implications of alternative assumptions, or establish policy ambition rather than to represent formally estimated parameters or official forecasts. Such figures are identified as indicative wherever they appear, with their assumptions and limitations consolidated in the Methodological Notes (Appendix A).

This distinction is important. Official statistics describe where the economy is; analytical illustrations help explain how it behaves; and policy targets indicate where the country should seek to go. The paper does not treat these three categories as interchangeable.

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY



2 Recognising the Progress: Stabilisation, Revenue, Foreign Exchange and Confidence

Four interlocking reforms delivered a measurable stabilisation dividend. This chapter records it generously and without qualification.

2.1 Why We Begin With Recognition

A prosperity agenda that does not understand the platform it builds on will misjudge what is possible. And a paper that does not begin by acknowledging what the reforms achieved forfeits both fairness and credibility. This chapter therefore records, deliberately and generously, the progress of recent years across four fronts, macroeconomic stabilisation, revenue mobilisation, foreign-exchange reform, and the restoration of investor confidence, before the following chapter turns to its human cost.

For years the Nigerian economy lived beyond the bounds of macroeconomic sustainability: a fuel subsidy of enormous and growing fiscal cost, a multiple and distorted exchange-rate system, a fragmented and leaky tax architecture, and an accommodative monetary stance in the face of accelerating inflation. None of these could have continued indefinitely. The reforms addressed each.

2.2 Macroeconomic Stabilisation

The most visible progress is the taming of inflation. Headline inflation, which stood at 34.80 percent in December 2024, moderated to 15.15 percent by December 2025, a fall of nearly twenty percentage points in a single year. Food inflation, which bears most heavily on the poor, fell even more sharply, from 39.83 percent to 10.84 percent (Figure 2.1). Whatever else this paper says about the limits of stabilisation, the arresting of an inflationary spiral of that magnitude is a genuine and consequential achievement, and it was delivered by a disciplined tightening of monetary policy sustained in the face of considerable pressure.

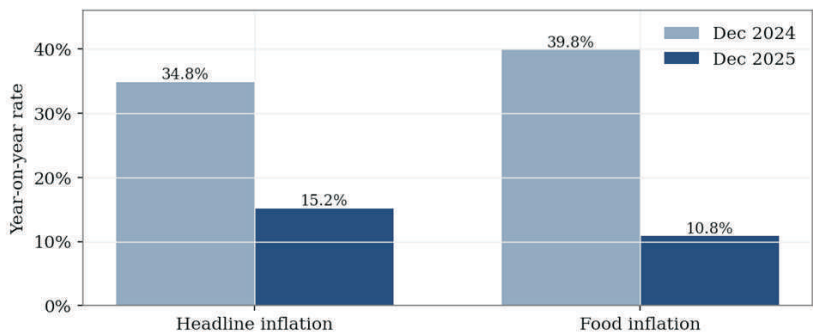


Figure 2.1 The stabilisation dividend: headline and food inflation, December 2024 versus December 2025.

Source: NBS Consumer Price Index Reports, December 2024 and December 2025 releases.

Alongside falling inflation, the external buffer has been rebuilt. Gross reserves rose from US\$40.19 billion at the end of 2024 to US\$45.71 billion at the end of 2025, and reached US\$50.45 billion by mid-February 2026, restoring a margin of resilience against external shocks that had grown dangerously thin (Figure 2.2). Output growth has recovered towards four percent, modest against the nation’s needs, but a clear improvement on the stagnation that preceded it. It should be

said plainly that gross reserves flatter the position. The measure that matters is net foreign exchange reserves, which strip out short-term liabilities such as swaps and forward contracts. On that measure the buffer stood at US\$34.80 billion at the end of 2025, well below the headline, but up from US\$23.11 billion a year earlier and from just US\$3.99 billion at the end of 2023. The improvement is therefore genuine and large, and the qualification is one of level rather than direction. The distinction is the same one this Paper draws throughout: a headline figure and a quality-adjusted figure can move in the same direction and still tell very different stories about how much room there is to manoeuvre.

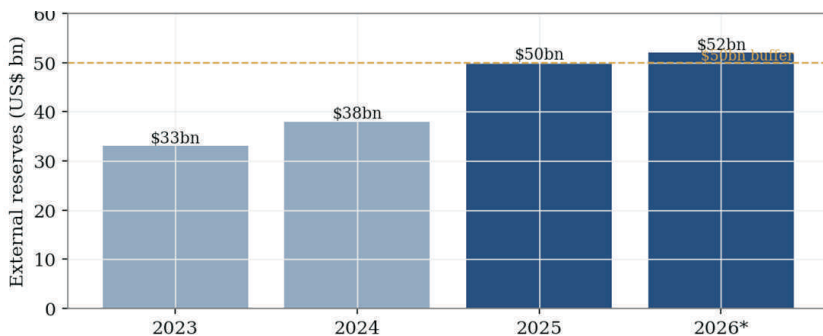


Figure 2.2 Rebuilding the external buffer: external reserves.

Source: CBN daily reserves data; press reporting of 3 March 2026 (net reserves, end-2025) and 5 June 2026 (gross reserves).

2.3 Revenue Mobilisation

The second front is fiscal. The reform of the tax system, enacted in 2025 and effective from the beginning of 2026, represents the most far-reaching overhaul of the nation's fiscal architecture in a generation. It consolidated a bewildering multiplicity of taxes into a coherent framework, established a modernised revenue administration, raised the threshold below which low earners pay no income tax, and exempted the smallest

businesses from company income tax. Its purpose is to raise revenue without raising rates punitively, by broadening the base, formalising activity, and improving compliance. The direction of travel is a rising tax-to-GDP ratio (Figure 2.3), which is the fiscal foundation on which the prosperity agenda of later chapters is built. A state that cannot mobilise revenue cannot invest in its people; improving revenue mobilisation is therefore not a bureaucratic detail but a precondition for shared prosperity.

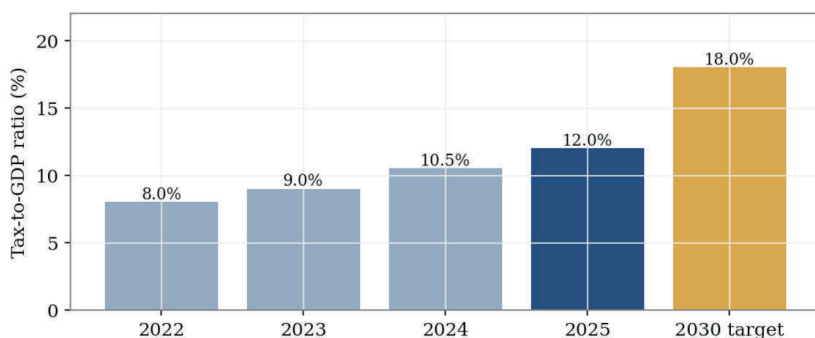


Figure 2.3 Revenue mobilisation: raising the tax-to-GDP ratio towards a 2030 target.

Source: *Nigeria Tax Act 2025 and associated Acts; fiscal authorities; trajectory indicative (Appendix A).*

2.4 Foreign-Exchange-Market Reform

The third front is the currency. The unification of the foreign-exchange market ended the fiction of multiple official rates and the rent-seeking that fed upon the gaps between them. It restored transparency to the price of the naira and, over time, narrowed the premium between the official and parallel markets towards negligible levels (Figure 2.4). A single, market-reflective exchange rate is a public good: it removes a vast implicit subsidy to those with access to cheap official dollars, it improves the allocation of foreign exchange, and it makes the naira's price a signal that investors can once again read and plan around.

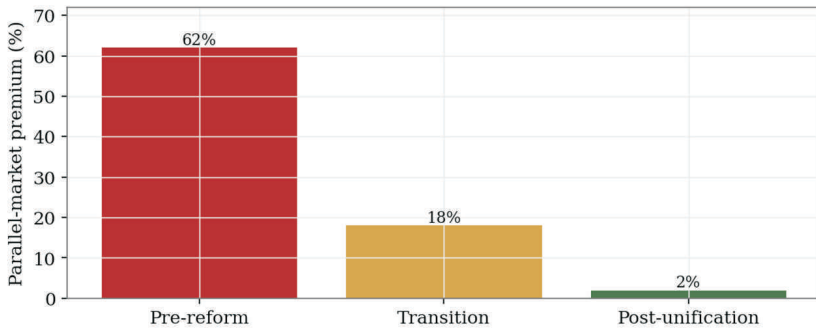


Figure 2.4 Foreign-exchange reform: the collapse of the parallel-market premium after unification.

Source: CBN market data; magnitudes indicative (Appendix A).

2.5 Restoring Investor Confidence

The fourth front is confidence. Predictable inflation, a transparent exchange rate, a modernised tax system and rebuilt reserves together improve the environment in which investors, domestic and foreign, make decisions. Confidence is not restored overnight, and it remains fragile; but the movement of the fundamentals is in the right direction, and portfolio and direct-investment interest has begun to respond. The task of the prosperity agenda is to convert this tentative confidence into durable, job-creating investment in the real economy, the subject of Chapters 9 through 12.

2.6 The Evidence Base and the Honest Limit

Table 2.1 gathers the principal indicators relied upon throughout this paper. Each is traced to its primary release in Appendix D.

Table 2.1 Key evidence base for the paper.

Indicator	Figure	Period / source
Headline inflation	34.80% → 15.15%	Dec 2024 → Dec 2025 (NBS CPI)
Food inflation	39.83% → 10.84%	Dec 2024 → Dec 2025 (NBS CPI)
External reserves (gross)	≈US\$50.1 bn	June 2026 (CBN)
External reserves (net)	≈US\$34.8 bn	End-2025 (CBN, via Reuters)
Real GDP growth (2026, projected)	≈4.3%	PwC Nigeria Economic Outlook 2026
Poverty headcount (national line)	56% → 61% → 63% (≈140m)	2023–25 (World Bank NDU, Apr 2026)
Projected poverty by 2028	≈59%	World Bank projection
Multidimensional poverty	133m people (63%)	NBS National MPI
Rural vs urban MPI	72% vs 42%	NBS National MPI
Child multidimensional poverty	67.5%	NBS National MPI
State MPI range	27% (Ondo) – 91% (Sokoto)	NBS National MPI
Formal wage employment	≈17% of workers	World Bank Poverty & Equity Brief
MSMEs	96% of firms; ≈84% of jobs	SMEs Financial Diaries / NBS
Oil: exports versus jobs	86.6% of exports; 0.2% of jobs	World Bank
Agriculture: jobs versus output	30.1% of employment; 27.55% of GDP	NBS LFS 2023; NBS GDP Report 2025
Graduates entering the labour market	≈1.7m per year	State of the Nigerian Youth Report 2025
Acute food insecurity	30.6m people	World Bank Food Security Update 118, Sep 2025
Broadband penetration	48.15% → 50.58%	NCC, Apr 2025 → Nov 2025

Source: As listed; full register with vintages and locations at Appendix D. Abbreviations: NBS, National Bureau of Statistics; CPI, Consumer Price Index; CBN, Central Bank of Nigeria; MPI, Multidimensional Poverty Index; MSME, micro, small and medium enterprise; LFS, Labour Force Survey; NCC, Nigerian Communications Commission; NDU, Nigeria Development Update; PwC, PricewaterhouseCoopers.

Improved macroeconomic conditions create valuable policy space: fiscal space as inflationary pressures and financing costs moderate, and monetary space as price stability becomes more firmly established.

This emerging space provides a stronger foundation for pursuing a broader agenda of production, employment and shared prosperity. Yet a platform is not a home. Greater price stability does not, by itself, restore real incomes, just as stronger external reserves do not automatically translate into stronger household balance sheets. Stabilisation was therefore a necessary first step, but not the final objective. The next challenge is to convert these gains into rising productivity, better jobs, higher real incomes and tangible improvements in living standards. Before turning to that agenda, however, it is important to recognise the adjustment costs borne by households and businesses along the way.

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY



3 Beyond Stabilisation: The Human Dimension of Adjustment

Macroeconomic adjustment is ultimately experienced at the level of households and businesses. Recognising these effects is essential to ensuring that the gains from stabilisation translate into broader and more durable improvements in welfare.

3.1 An Honest Acknowledgement

A balanced account of Nigeria's recent reform experience must recognise both the economic rationale for adjustment and the significant transitional costs that accompanied it. Measures undertaken to address longstanding fiscal, monetary and external imbalances were important to restoring macroeconomic stability, but their effects were inevitably felt across households and businesses. Higher living costs placed pressure on family budgets, while businesses, particularly micro, small and medium-sized enterprises, faced rising energy, transport and input costs alongside weaker consumer demand.

Acknowledging these pressures does not diminish the importance of the reforms or the progress made towards greater macroeconomic stability. Rather, it underscores the importance of the next phase of the policy agenda: ensuring that the foundations created by stabilisation translate progressively into stronger production, more and better jobs, rising real incomes and improved living standards. The ultimate measure of successful reform is therefore not stability alone, but the extent to which that stability creates the conditions for broadly shared and sustained prosperity.

3.2 The Squeeze on Households

For households, the most immediate effects of adjustment were transmitted through prices, particularly the prices of food, transport and other essential goods and services. The removal of the petrol subsidy and the adjustment of the exchange rate contributed to higher transport, energy and input costs, which in turn affected the prices of many goods and services that account for a substantial share of household expenditure. These pressures were especially significant for poor and middle-income households, whose budgets are more heavily concentrated on essential consumption. For a period, food prices rose considerably faster than incomes, resulting in a marked erosion of real purchasing power (Figure 3.1).

More recently, the moderation in food inflation represents an important improvement. Yet the distinction between the rate of inflation and the level of prices remains critical to understanding household experience. Disinflation means that prices are increasing at a slower pace; it does not, by itself, return prices to their previous levels. Consequently, improvements in headline inflation may take time to translate into a comparable improvement in household welfare, particularly where nominal incomes have not risen sufficiently to restore lost purchasing power. Closing this gap between improving macroeconomic indicators and the everyday experience of households is central to the prosperity challenge examined in Chapter 5.

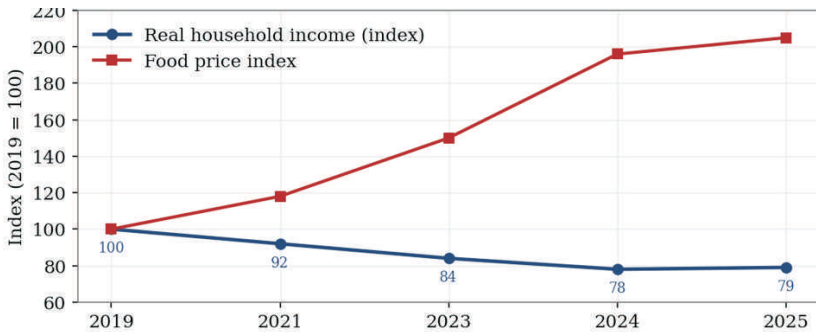


Figure 3.1 The sacrifice: food prices rose while real household incomes fell (illustrative indices).

Source: Illustrative indices constructed from NBS CPI and household survey evidence; see Appendix A.

3.3 The Squeeze on Businesses

Enterprises, and especially small ones, bore their own version of the adjustment. A weaker naira raised the cost of imported inputs and equipment; tighter monetary policy raised the cost of credit; and weakened household demand shrank their markets. Many firms survived by running down margins, deferring investment, or shedding workers into informality. The cost of adjustment, in other words, was paid not only in household consumption but in the balance sheets and payrolls of the productive sector, which is precisely why the recovery of the productive sector is central to the prosperity agenda.

3.4 Why Recognition Matters for Policy

Acknowledging sacrifice is not merely decent; it is analytically important. It explains why stabilisation alone cannot feel like success to the citizen: the gains are visible in the aggregates while the losses are still felt at the table. It establishes the standard against which the next phase must be judged, not the elegance of the indicators but the recovery of the household. And it underpins the case, made in Chapter 9, for a social-

protection floor: those who bore the heaviest costs of adjustment have the strongest claim on the first fruits of recovery. The sacrifice of Nigerians is the debt this agenda exists to repay.

4 The Central Challenge: From Indicators to Livelihoods

Four objectives- employment, productivity, living costs, and real incomes- define the next phase of policy.

4.1 Stating the Task Plainly

The central challenge of Nigerian economic policy can now be stated plainly. Having stabilised the macroeconomy at real cost, the nation must translate its improving indicators into things the citizen can feel: employment, higher productivity, lower living costs, and rising real incomes. These four are the true objects of the next phase. Inflation, reserves and the exchange rate matter because, and insofar as, they serve these ends. The next economic frontier is the crossing from the aggregate to the household.

4.2 The Four Objectives

Employment, and specifically productive employment, work that pays and lasts, is the primary channel through which growth reaches families, because for most Nigerians labour is their principal asset. Higher productivity is what makes rising wages sustainable rather than inflationary; without it, income gains are eroded as fast as they are won. Lower living costs, especially of food, transport and energy, restore purchasing power directly and are, in effect, a pay rise for the poor. Rising real incomes are the summary measure of success: incomes that grow faster than prices, restoring and then surpassing what the adjustment took away.

4.3 Why the Challenge Is Hard

The difficulty is that improving macroeconomic indicators do not translate automatically into these outcomes. Growth can occur without employment; output can rise while incomes fall; disinflation can arrive while the price *level* remains punishing. The transmission from the aggregate to the household runs through the structure of the economy, through which sectors grow, how much labour they employ, how productive that labour is, and how the gains are shared. When that structure is unfavourable, as in Nigeria it has been, the transmission fails. Diagnosing that failure, and repairing it, is the work of the chapters that follow. The remainder of the paper is, in essence, an answer to a single question: how do we make the good numbers become good lives?

5 The Prosperity Paradox: The Gains We Must Now Extend

Poverty rose while inflation fell. That divergence, not the inflation rate, is the fact this paper exists to address.

5.1 A Disconcerting Divergence

If the aggregates tell a story of recovery, the household tells one of continuing hardship. Over the very period in which inflation was brought down, the share of Nigerians in poverty did not fall, it rose. On the World Bank's assessment, the poverty headcount climbed from about 56 percent in 2023 to about 61 percent in 2024 and about 63 percent in 2025, roughly 140 million people (Figure 5.1). That this occurred as inflation fell is the heart of the matter: it reveals a disconnect between the moderation of prices and the recovery of real incomes, the prosperity paradox.

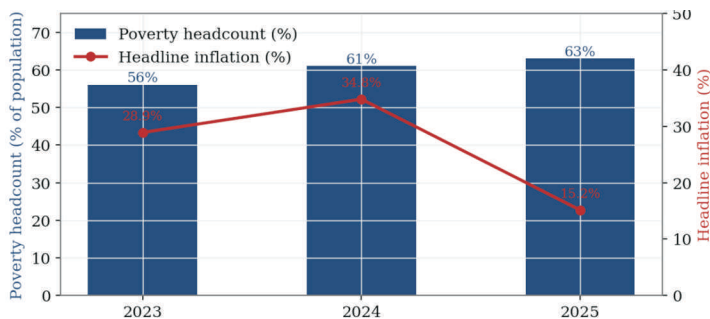


Figure 5.1 The prosperity paradox: the poverty headcount rises even as headline inflation falls.

Source: World Bank Nigeria Development Update, April 2026; NBS Consumer Price Index Reports.

The paradox is not a contradiction. Falling inflation does not restore incomes already lost; it merely slows their continued erosion. A household whose real purchasing power was halved during the surge is not made whole by a subsequent slowing of price increases. The task of a prosperity agenda is to *reverse* that diminishment, not merely to halt it.

5.2 The Depth, Texture and Geography of Deprivation

Poverty in Nigeria is deep and multidimensional. The national measure finds roughly 133 million people, about 63 percent, multidimensionally poor: deprived across health, education and living standards. Deprivation is far worse in rural areas (about 72 percent) than urban (about 42 percent), and falls with particular weight on children, about two-thirds of whom are multidimensionally poor (Figure 5.2). It is also profoundly uneven across space, ranging from around 27 percent of the population in the least-affected state to 91 percent in the most-affected, concentrated in the North and the rural economy. A national strategy blind to geography will fail the places of greatest need, which is why the Compact carries an explicit regional dimension (Pillar VI) and, a security pillar and a state-led agricultural pillar directed at precisely those places (Pillars VII and VIII).

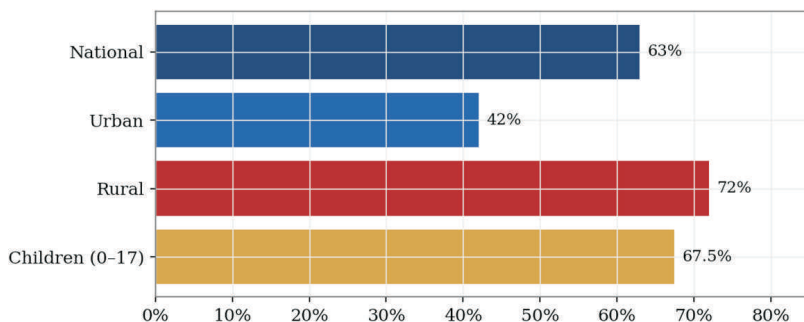


Figure 5.2 Multidimensional poverty by group: national, urban, rural and children.
Source: NBS National Multidimensional Poverty Index.

5.3 Inequality and the Path Without Action

Measured inequality has not risen sharply, but this conceals a troubling pattern in which welfare declined broadly across the distribution, almost every household poorer, while those at the very top were better able to protect themselves. A fall in measured inequality that comes from shared impoverishment is no cause for satisfaction. Left to itself, poverty is projected to decline only slowly, towards the high fifties by the end of the decade, leaving a majority of citizens poor for years. The purpose of the Compact is to *bend that curve*: to make the decline faster, deeper and more durable than the passive continuation of present trends would produce.

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY

67TH
**ANNUAL
CONFERENCE**

6 The Jobs Illusion: Growth Without Work

Nigeria does not chiefly have an unemployment problem. It has a productive-employment problem, and the arithmetic of elasticity explains why.

6.1 A Headline Figure That Misleads

Under the revised NBS methodology, aligned to international practice, a person who works even one hour in a reference week is counted as employed. The result is a headline unemployment rate in the low single digits. That figure is not wrong, but it answers the wrong question. It measures whether Nigerians are *doing something* for income; it does not measure whether that something pays enough, or is stable enough, to lift a household out of poverty. The evidence that it flatters is plain: only about 17 percent of workers hold the formal wage jobs most able to lift families out of poverty, while the majority subsist in small-scale farm and non-farm activity. Nigeria does not chiefly have an unemployment problem; it has a productive-employment problem.

We therefore define the policy objective. Let the productive-employment rate be the share of the labour force in work that is sufficiently remunerative and stable to keep a household above the poverty line. It is this rate, not headline unemployment, that a jobs strategy must raise.

6.2 Where the Jobs Are

Before asking why growth has not created work, it is worth establishing plainly where Nigerians actually work. Table 6.1 distributes the 84.1

million employed persons recorded by the Labour Force Survey across the sectors of the economy, ordered by size and cumulated so that the concentration is visible at a glance.

Table 6.1 Employment by economic sector, Nigeria.

Economic sector	Employed	Share (%)	Cumulative (%)
Agriculture, forestry and fishing	25.34 m	30.1	30.1
Wholesale and retail trade	23.13 m	27.5	57.6
Manufacturing	10.69 m	12.7	70.3
Accommodation and food services	6.56 m	7.8	78.1
Transportation and storage	3.79 m	4.5	82.6
Other service activities	3.53 m	4.2	86.8
Education	3.11 m	3.7	90.5
Construction	2.95 m	3.5	94.0
Health, public administration, admin support	2.78 m	3.3	97.3
Finance, professional and technical services	1.01 m	1.2	98.5
Real estate, ICT, mining, utilities, other	1.26 m	1.5	100.0
Total employed	84.15 m	100.0	-

Source: NBS, Nigeria Labour Force Survey Annual Report 2023.

Total employed 84,148,566. Agriculture (25,341,219) and trade (23,133,193) are reported directly; the remaining figures are derived from published percentage shares.

The last three rows aggregate smaller ISIC categories.

Reference periods at Appendix A.2.

Two sectors, agriculture and trade, account for 57.6 percent of all Nigerian employment. Adding manufacturing brings the figure to 70.3 percent. Everything else in the economy combined, including the whole of finance, telecommunications, real estate, oil and the public service, employs the remaining three in ten. A strategy that raises the productive-employment rate must therefore operate on the first three lines of this table, or it operates on almost nobody.

6.3 Where the Output Is

Set that distribution of work against the distribution of output, and the country's central economic difficulty becomes visible in a single picture. Figure 6.1 places the largest sectors by output beside the employment each supports.

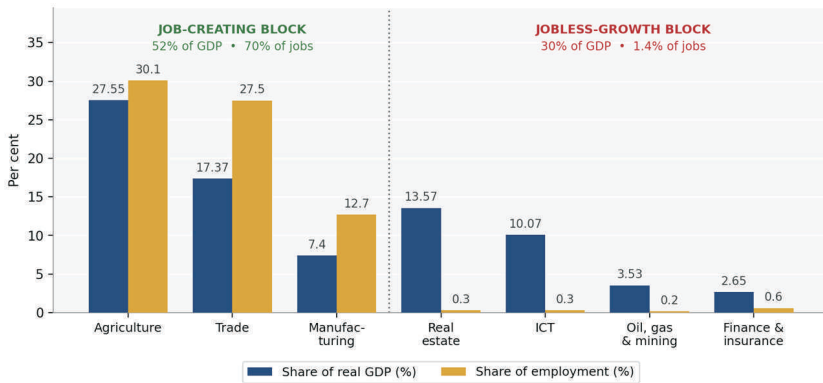


Figure 6.1 Where output is versus where the jobs are: sectoral shares of real GDP against shares of employment.

Source: NBS GDP reports 2025 (real sectoral shares); NBS Labour Force Survey 2023 (employment shares). Reference periods and the vintage caveat at Appendix A.2.

The left of the chart is where Nigerians work. The right is where output is generated. They barely overlap. Real estate and information and communication alone produce almost a quarter of national output and employ, between them, about half a million people out of eighty-four million. Table 6.2 states the same relationship as a ratio. The *labour absorption ratio* is a sector's share of employment divided by its share of output: above 1.0 a sector employs more people than its output share implies, below 1.0 fewer.

Table 6.2 GDP share, employment share and labour absorption by sector.

Sector	Share of real GDP (%)	Share of employment (%)	Jobs (million)	Labour absorption ratio
Agriculture	27.55	30.1	25.34	1.09
Wholesale and retail trade	17.37	27.5	23.13	1.58
Manufacturing	7.40	12.7	10.69	1.72
JOB-CREATING BLOCK	52.32	70.3	59.16	1.34
Real estate	13.57	0.3	0.25	0.02
Information and communication	10.07	0.3	0.25	0.03
Oil, gas, mining and quarrying	3.53	0.2	0.17	0.06
Financial and insurance services	2.65	0.6	0.50	0.23
JOBLESS-GROWTH BLOCK	29.82	1.4	1.17	0.05

Source: as Figure 6.1. The labour absorption ratio is employment share divided by GDP share. Blocks are the author's grouping.

The final column deserves to be stated in the language of the budget. A naira of growth in the jobless-growth block generates roughly **one twenty-seventh** of the employment of a naira of growth in the job-creating block. This is not a claim about which sectors are valuable: real estate, telecommunications and finance are indispensable to a modern economy and are among Nigeria's genuine successes. It is a claim about which sectors, at the margin, convert public capital into household income, and that is a different question, and the one a capital budget must answer.

6.4 The Export Paradox

The mismatch is sharpest at the external account, where the sector that dominates export earnings employs almost no one.

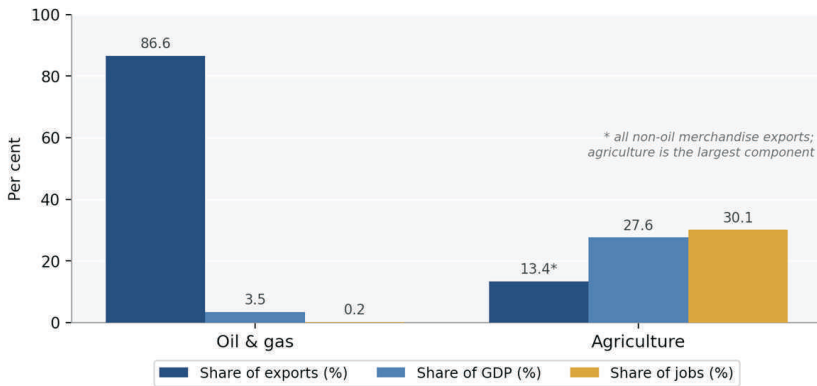


Figure 6.2 Oil and gas against agriculture: shares of exports, output and employment. Source: NBS Foreign Trade in Goods Statistics, Q2 2025; NBS GDP reports 2025; NBS Labour Force Survey 2023. The 13.4 percent figure covers all non-oil merchandise exports, of which agriculture is the largest component, and is therefore an upper bound.

Oil and gas generate close to 87 percent of export earnings, 3.5 percent of output and 0.2 percent of employment. Growth that leans on this sector cannot reach the household directly. It reaches the Federation Account, and must then be redistributed through public spending, which is precisely why the *composition* of that spending, and not merely its size, is the decisive question of this decade. It is also why the export diversification of Pillar IV and the jobs argument of this chapter are the same argument reaching the household by two different routes.

6.5 The Arithmetic of Elasticity

Why has renewed growth not produced productive employment? The relationship between output and employment is captured by the **employment elasticity of growth**, the percentage change in employment associated with a one-per-cent change in output:

$$\varepsilon = \frac{\% \Delta L}{\% \Delta Y} = \frac{\Delta L / L}{\Delta Y / Y}$$

In plain terms: *if a sector's output grows by 1 percent and the jobs in it grow by 0.7 percent, its elasticity is 0.70. The higher the number, the more work each naira of growth creates.*

When ε is high, growth is *job-rich*; when it is near zero, growth is *jobless*. Nigeria's difficulty is that its growth has been concentrated in low-elasticity activities. This is best seen by asking how much output growth is required merely to absorb new entrants to the labour force. If the labour force grows at rate g_{LF} , the economy must create

$$\Delta L^{req} = g_{LF} \cdot L_0$$

In plain terms: *the number of jobs the country must create each year, just to keep pace, is simply the growth rate of the labour force multiplied by the number of people already in it.*

new jobs each year simply to stand still, and the output growth needed to deliver them is

$$g_Y^{req} = \frac{g_{LF}}{\varepsilon}$$

In plain terms: *divide the growth of the labour force by the employment elasticity, and you have the rate at which the economy must grow simply to avoid falling behind. Where the elasticity is low, that required rate becomes impossibly high.*

Worked example: the arithmetic of the paradox

Suppose the labour force grows at 3 percent per year. In a job-rich sector with $\varepsilon = 0.60$, the output growth required simply to absorb new entrants is $3\% \div 0.60 = 5$ percent. But if growth is concentrated in a low-elasticity, capital-intensive activity with $\varepsilon = 0.15$, the requirement leaps to $3\% \div 0.15 = 20$ percent, a rate no economy sustains.

The same 3 percent labour-force growth that is comfortably absorbed by job-rich growth becomes an engine of rising informality under jobless growth. This is the arithmetic of the prosperity paradox.

Applied to Nigeria, this arithmetic is stark. The national employment elasticity is approximately **0.11**. At the 4.68 percent growth projected for 2026, an economy of some 85 million workers therefore generates roughly **438,000 net jobs against about 3.5 million annual entrants** to the labour market. Doubling the rate of growth would still leave a shortfall above 2.5 million. Rearranging the same expression gives the elasticity the economy would need in order to absorb its entrants in full, $\varepsilon^* = N \div (L \cdot g)$, where N is annual entrants:

$$\varepsilon^* = N \div (L \cdot g) = 3.5 \text{ m} \div (85 \text{ m} \times 0.0468) = 0.88$$

The required elasticity is eight times the observed one. Even at 7 percent growth it remains 0.59. No plausible acceleration of the growth rate closes a gap of that size. The *composition* of growth must do the work that the rate cannot, and composition, unlike the growth rate, is directly within the gift of the annual budget.

6.6 Elasticity Against the Employment Base

Elasticity alone does not determine how many jobs a sector creates. Job creation is the product of three terms, the elasticity, the growth rate and

the existing employment base , so a high elasticity applied to a small base delivers few jobs. Figure 6.3 therefore reports both dimensions together: the elasticity above, and the employment base to which it applies beneath.

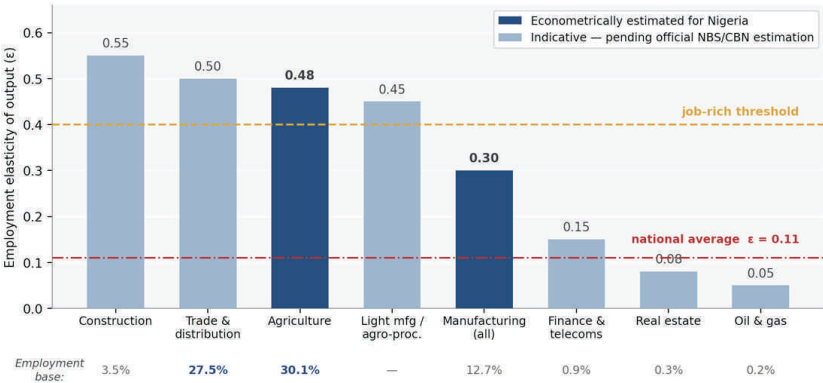


Figure 6.3 Employment elasticity by sector, against the job-rich threshold, with each sector's employment base.

Source: dark bars are econometrically estimated for Nigeria (Ajakaiye, Jerome, Nabena and Alaba, UNU-WIDER / Brookings); light bars are indicative values consistent with the labour absorption ratios of Table 6.2. Appendix A.2 sets out the estimation programme that would replace the indicative values with official Nigerian coefficients.

Construction carries a higher elasticity than agriculture, but it employs 3.5 percent of Nigerians. A percentage point of construction growth therefore yields around sixteen thousand jobs. The same percentage point in agriculture yields roughly one hundred and twenty-two thousand, because the elasticity applies to a base of 25.3 million. **Elasticity sets the conversion rate; the employment base sets the scale.** Agriculture is the only sector in the Nigerian economy that is strong on both. Table 6.3 multiplies the two, and it is the final column , jobs per percentage point of sectoral growth, that a capital budget ought to be reading.

Table 6.3 Employment elasticity, employment base, and jobs created per percentage point of sectoral growth.

Sector	ϵ	Basis	Employment base (m)	Jobs per 1 pp of sectoral growth
Construction	0.55	Indicative	2.95	≈16,000
Trade and distribution	0.50	Indicative	23.13	≈116,000
Agriculture	0.48	Estimated	25.34	≈122,000
Light mfg / agro-processing	0.45	Indicative	3.20	≈14,000
Manufacturing (all)	0.30	Estimated	10.69	≈32,000
Finance and telecoms	0.15	Indicative	0.76	≈1,100
Real estate	0.08	Indicative	0.25	≈200
Oil and gas	0.05	Indicative	0.17	≈90
NATIONAL AVERAGE	0.11	Estimated	84.15	≈93,000

Source: author's computation from $\Delta L_i = \epsilon_i \cdot g_i \cdot L_i$, using the elasticities of Figure 6.3 and the employment bases of Table 6.1. Light manufacturing / agro-processing is estimated at 30 percent of manufacturing employment. The final row applies the national elasticity to total employment and is the benchmark each sector should be read against.

What this means for the capital budget

The national employment elasticity is not a fixed parameter of the Nigerian economy. It is the weighted average of the sectoral elasticities in Table 6.3, and the weights are output shares, which the Federal capital budget helps to set. Raising the national elasticity is therefore not solely a matter for labour-market policy. It is a fiscal decision, taken annually, in the allocation of the capital envelope.

Formally, $\epsilon_{agg} = \sum \epsilon_i \cdot g_i$. Applying Nigeria's employment shares to the sectoral elasticities of Figure 6.3 gives approximately 0.43, against an observed aggregate of 0.11. The two are not strictly comparable, the observed value is an econometric estimate that already embodies inter-sectoral reallocation, but the distance between them is the order of magnitude of the *composition penalty* the country is currently paying.

6.7 Agriculture and Trade Are One Proposition, Not Two

Counting only farm jobs understates the return to agricultural investment. Agricultural output flows into distribution, into food and beverage processing, and into haulage, and those sectors employ Nigerians in very large numbers. They do not generate their own throughput; they handle what the productive economy supplies, and in Nigeria that supply is dominated by food and agro-allied goods. Trade, the second-largest employer at 23.1 million, is in substantial part the distribution arm of the first.

Writing σ_k for the share of downstream sector k 's throughput attributable to agriculture, the total agrifood employment created by agricultural growth g_A is:

$$\Delta L = g_A \cdot [\epsilon_A L_A + \sum_k \epsilon_k \sigma_k L_k]$$

Dividing by the direct term gives the agrifood employment multiplier: the total jobs created per farm job. On central assumptions it is approximately 1.5, each farm job carries roughly half a further job downstream, and it is robust. Across the full plausible range of the underlying parameters the multiplier stays between 1.17 and 2.08, while total agrifood employment at 8 percent agricultural growth stays within 1.42 to 1.68 million. The conclusion does not depend on the particular coefficients chosen.

Table 6.4 Agrifood system employment created at alternative rates of agricultural growth.

Agricultural growth	Direct farm jobs	Downstream jobs	Total agrifood jobs	Share of 3.5 m entrants
4% (current run-rate)	486,000	247,000	733,000	21%
6%	730,000	370,000	1,100,000	31%
8% (strategy target)	973,000	494,000	1,467,000	42%
10%	1,217,000	618,000	1,835,000	52%

Source: author's computation. Downstream channels are wholesale and retail trade ($\epsilon = 0.50$, $\sigma = 0.40$), food and beverage manufacturing ($\epsilon = 0.45$, $\sigma = 0.60$) and transport and storage ($\epsilon = 0.45$, $\sigma = 0.40$). Linkage coefficients are explicit assumptions and are tested formally at Appendix A.2.

Two properties of that table matter fiscally. First, the downstream jobs require no public spending in trade, processing or transport: they are induced by agricultural output, and private capital supplies them. Second, they are disproportionately urban, which matters because urban labour underutilisation exceeds rural. Agricultural capital expenditure is therefore a national employment instrument with an urban second round, not a rural programme with rural benefits, a distinction that changes the political arithmetic of funding it.

Against that return, the current allocation is difficult to defend. The 2026 Appropriation proposes about 2.5 percent of the Federal budget for agriculture, against the 10 percent commitment Nigeria carries under the Maputo, Malabo and Kampala declarations, and against a sector that supplies three in ten Nigerian jobs and the upstream throughput of a further three in ten. Execution is as much the constraint as allocation: nominal agricultural allocations have risen more than tenfold since 2017 without commensurate improvement in output, which points to release and utilisation rates rather than headline figures, and is why Section 13.3 makes quarterly publication of both a Compact commitment.

What that reallocation would actually buy, in jobs, in output and in foreign exchange, is worked through in full at Section 9.5, which takes the coefficients of Table 6.4 and follows a single pillar to its conclusion.

6.8 Where to Concentrate, and When: A Phased Employment Sequence

The preceding sections establish where employment is created. The remaining question is one of order. Not everything can be attempted at once, and a sequence that front-loads the sectors with the largest immediate product of elasticity and employment base buys the political capital that slower structural reforms require. Table 6.5 sets out that sequence in the three phases used throughout this Paper, Foundations, Scale-up and Consolidation, so that it maps directly onto the delivery matrix of Appendix G and the financing path of Chapter 14.

Table 6.5 A phased employment sequence: where to concentrate the capital envelope, and when.

Phase	Concentrate on	The elasticity logic	Principal instruments	Indicative annual jobs at end of phase
Phase 1 , Foundations (2026–27)	Agriculture and the agrifood chain; construction and housing	The largest $e \times L$ product in the economy and the shortest gestation. Agriculture alone yields $\approx 122,000$ jobs per point of growth; each farm job carries half a job downstream at no public cost.	Raise the agrifood share of the capital envelope towards 6%; ring-fence $\geq 50\%$ of it for mid-chain aggregation, storage, processing and logistics; corridor security under Pillar VII; state compacts under Pillar VIII.	≈ 1.2 million (agrifood ≈ 1.10 m at 6% agricultural growth, plus construction). Implied national $\varepsilon \approx 0.29$.
Phase 2 – Scale-up (2028–29)	Agro-processing and light manufacturing; formalisation of agrifood trade	Raises manufacturing's elasticity and its employment base at the same time, and converts induced informal trade activity into taxable formal enterprise, the one channel that widens the revenue base while creating work.	Capital allowances for agro-processing and cold chain; an agrifood SME credit guarantee facility; a simplified tax regime for registered agrifood SMEs; power and logistics under Pillar IV.	≈ 1.7 million (agrifood ≈ 1.47 m at 8% agricultural growth, plus construction and light manufacturing). Implied national $\varepsilon \approx 0.38$.
Phase 3 , Consolidation (2030)	Tradable services, the creative economy and digital; export-oriented manufacturing	The highest-wage, highest-productivity destinations, and the ones that raise earnings rather than only headcount. Viable only once the skills pipeline has matured and power and broadband are in place.	The Open Digital Area at full scale (Section 9.3); export incentives and trade facilitation; a deliberate lift in the wage-employment share under Pillar IV.	≈ 2.2 million (agrifood ≈ 1.84 m at 10% agricultural growth, plus ODA-linked and industrial employment). Implied national $\varepsilon \approx 0.44$.

Source: author's construction. Agrifood figures are read directly from Table 6.4. The implied national elasticity is derived, not assumed: it is total jobs created divided by the product of projected national growth and total employment. Phases align with Appendix G.

Three features of that sequence deserve emphasis. First, it is *deliberately conservative* about what any single phase can deliver: even at the end of Phase 3 the agrifood system supplies approximately six in ten of the three million productive jobs a year the Compact targets (Table 9.3), with construction, light manufacturing, the creative economy and the digital sectors of Chapters 10 and 12 supplying the remainder. What the sequence establishes is that the largest, fastest and most certain block of that target lies in a single value chain.

Second, the implied national elasticity of 0.44 at the end of Phase 3 is not an invention. It is approximately the composition-weighted value already implicit in Table 6.3, the 0.43 that Nigeria would record today if its growth were distributed in proportion to where Nigerians actually work. The sequence does not assume new elasticities into existence; it proposes to stop paying the composition penalty. Third, each phase is financed by reallocation within the capital envelope rather than by expansion of it, and therefore sits inside the financing rule of Section 14.2.

The Rule this Chapter Proposes

Every capital project competing for the Federal envelope should carry an estimated job coefficient, jobs created per naira, computed from published sectoral elasticities and employment bases, and that coefficient should be a stated criterion in the allocation decision, alongside rate of return and strategic fit.

This converts the argument of this chapter from advocacy into an auditable budgeting rule that applies equally to every ministry competing for the same money. It requires one thing that does not yet exist: an official, routinely published series of Nigerian sectoral employment elasticities. Section 13.4 and Appendix A.2 set out what the Bureau of Statistics and the Central Bank would need to publish to make it operational, and the Compact commits to a first publication in 2027.

6.9 The Youth Dimension: Entrants, Absorption and the Backlog

The argument so far has been about sectors. It ends with people. Each year some 3.5 million Nigerians reach working age and begin looking for work, of whom an estimated 1.7 million hold a degree or a diploma. What happens to that cohort is the test this Paper sets for itself. The numbers are worth stating plainly before any conclusion is drawn from them.

Table 6.6 Sets out the stock, where the Nigerian labour force stands today.

Measure	Number	Share
Labour force	87.9 m	–
Employed (one hour or more in the reference week)	84.2 m	95.7% of labour force
Unemployed	3.8 m	4.3% of labour force
Time-related underemployed	≈7.7 m	8.7% of labour force
Total labour underutilisation	≈11.4 m	13.0% of labour force
In informal employment	≈78.3 m	93.0% of employed
Self-employed or own-account	≈72.0 m	85.6% of employed
In formal wage employment	≈14.3 m	17.0% of employed

Source: NBS Labour Force Survey, employment stock (2023) and the rates for unemployment, underutilisation, informality and self-employment (Q2 2024). The labour force total, the number unemployed and the number time-related underemployed are derived by applying those rates to the employment base; time-related underemployment is the residual of underutilisation after unemployment.

Read the table from the bottom. About 14 million Nigerians, roughly one worker in six, hold a formal wage job. Some 78 million work informally. The official unemployment rate of 4.3 percent describes a country with almost no unemployment; the underutilisation rate of 13 percent, the informality rate of 93 percent and the wage-employment share of 17 percent describe a country where work is abundant and livelihoods are not. Both descriptions come from the same survey. The second is the one policy has to act on.

Now the flow. Table 6.7 sets the annual intake of young Nigerians against the jobs the economy actually creates for them, first at the present composition of growth and then under the phased sequence of Section 6.8.

Table 6.7 The annual labour-market balance: entrants against absorption, 2026 to 2030.

	Unchanged composition	Phased sequence (Table 6.5)
Entrants to the labour market, each year	3.50 m	3.50 m
Net jobs created, 2026	0.44 m	0.44 m
Net jobs created, 2030	0.44 m	2.20 m
Absorption rate, 2026	12.5%	12.5%
Absorption rate, 2030	12.5%	63%
Cumulative entrants, 2026–30	17.50 m	17.50 m
Cumulative jobs created, 2026–30	2.19 m	7.04 m
Cumulative shortfall, 2026–30	15.31 m	10.46 m

Source: author's computation; every figure in this table is a scenario estimate and should be read as approximate. The unchanged-composition column applies the national elasticity of 0.11 to projected growth of 4.68 percent on a base of 85 million workers. The phased-sequence column reads the annual job totals from Table 6.5, interpolating 2028 between phases. Entrants are held constant at 3.5 million, which is conservative: on current demographic projections the intake rises across the period.

The absorption rate is the line that matters. **At the present composition of growth, the Nigerian economy absorbs about one in eight of the young people who enter it.** The other seven find something, a plot to farm, a stall, a motorcycle, a relative's shop, but they do not find work in any sense that lifts a household above the poverty line. They join the 78 million.

That is an annual figure, which is why the problem compounds. The cohort not absorbed this year does not dissolve; it carries forward into the next. Figure 6.4 accumulates the shortfall across the life of the Compact.

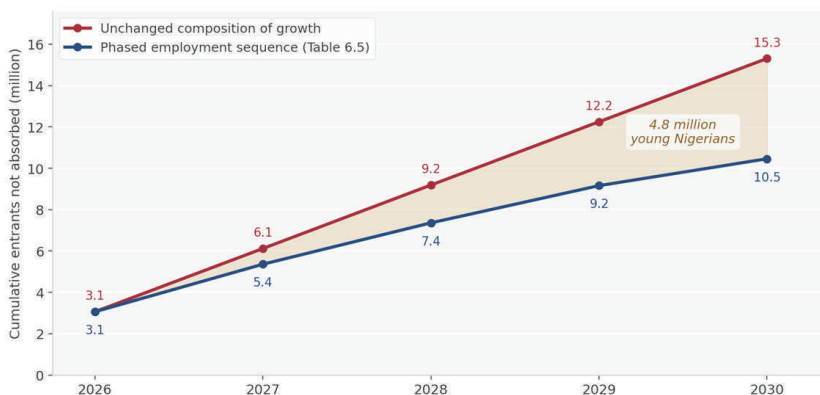


Figure 6.4 The accumulating backlog: young Nigerians entering the labour market without finding productive work, 2026 to 2030.

Source: Author's computation from Table 6.7. The shaded band is the difference between the two paths.

On the present composition of growth, approximately 15.3 million young Nigerians will reach working age between 2026 and 2030 without finding productive work. The phased sequence of Section 6.8 does not close that gap. It narrows it to approximately 10.5 million, some 4.8 million people who would otherwise have been left outside the productive economy. That is the honest measure of what this Paper proposes: not a solution, but a very large dent, achieved by changing where public capital goes rather than how much of it there is.

The danger, stated plainly

Four things follow if the gap is left to run.

It becomes permanent. Skills depreciate. A graduate who spends three years in informal retail does not re-enter the formal labour market at the level of their training; they re-enter it, if at all, at the level of their last job. Nigeria is not deferring the absorption of this cohort. It is losing it.

It starves the tax base. The revenue reforms of Chapter 2 rest on a formal economy, and the wage-employment share of 17 percent is very nearly the whole of the tax base. A generation absorbed into informality cannot fund the tax-to-GDP path the Federal Government has set, and the arithmetic worsens as that generation ages into dependency.

It exports the most employable. The young Nigerians best equipped to leave are the ones the public purse has spent most on educating. Every year the gap persists, the return on that spending accrues to another country's economy.

It feeds the constraint it came from. Chapter 8 treats insecurity as a binding constraint on agricultural output, and Pillar VII responds to it. Economic exclusion widens the pool from which illicit livelihoods recruit, most acutely in the food belt, where the resulting output loss reduces the very growth that would create the jobs. Joblessness and insecurity are not two problems in this economy. They are one loop, turning the wrong way.

The Window

Nigeria's demographic structure is usually described as an asset. It is better understood as a deadline. A young population raises output only if it is absorbed into productive work; unabsorbed, it raises dependency, consumption and social strain without raising production. The dividend and the burden are the same people. Which one they become is settled by whether the jobs exist when they arrive.

The window is open now. On the arithmetic of Table 6.7 it does not stay open indefinitely, and nothing in the present composition of growth suggests it closes in Nigeria's favour on its own.

The composition of the cohort sharpens the case further. Only about 38 percent of young Nigerians aged 15 to 35 have basic digital skills such as office software and browsing, which caps their access to the fastest-growing tradable occupations. The result is not idleness so much as *under-employment of talent*, graduates in precarious informal work. A productive-employment strategy is, in large part, a strategy for this cohort. It is why the digital and creative sectors of Chapters 10 and 12 matter so much, and why the paper establishes the Open Digital Area as the operating instrument of the skills pillar (Section 9.3).

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY



7 Diagnosis: Why the Bridge to the Household Is Broken

7.1 Structural Transformation, Stalled

Development is, at bottom, the movement of labour from low-productivity to high-productivity activity. Aggregate labour productivity is the employment-weighted sum of sectoral productivities,

$$\Pi = \sum_i \pi_i s_i, \quad \sum_i s_i = 1$$

In plain terms: *national productivity is the average of each sector's productivity, weighted by the number of people working in it.*

where π_i is productivity in sector i and s_i its share of employment. Productivity can rise *within* sectors (each π_i rising) or *between* sectors (labour shifting towards higher- π activities). A shift-share decomposition makes this explicit:

$$\Delta \Pi = \sum_i \Delta \pi_i s_i^0 + \sum_i \pi_i^0 \Delta s_i + \sum_i \Delta \pi_i \Delta s_i$$

within-sector effect · structural-change effect · cross term

In plain terms: *a country can become more productive in two ways: each sector gets better at what it does, or workers move out of weaker sectors into stronger ones. The second is what Nigeria has been missing.*

Worked example: the engine of development

Consider a stylised economy of two sectors. Agriculture has productivity $\pi = 1$ and employs 60 percent of workers; modern industry has productivity $\pi = 4$ and employs 40 percent. Aggregate productivity is $(1 \times 0.6) + (4 \times 0.4) = 2.2$.

Now move ten percentage points of labour from agriculture to industry. Shares become 0.5 and 0.5, and aggregate productivity becomes $(1 \times 0.5) + (4 \times 0.5) = 2.5$, a 14 percent gain from *structural change alone*, with no change in any sector's own productivity. This is the engine of development.

Nigeria’s difficulty is that its displaced labour has too often moved not into the high-productivity modern sector but into low-productivity informal services, so the structural-change term has been weak or even negative (Figure 7.1).

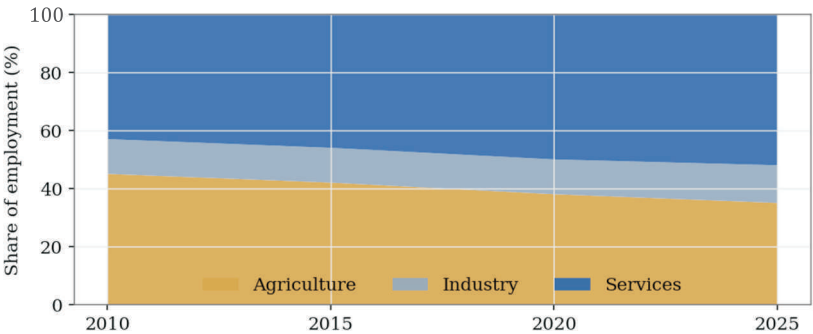


Figure 7.1 Stalled transformation: labour shifts out of agriculture into services rather than industry (indicative employment shares).
Source: NBS Labour Force Survey and living-standards data; shares indicative (Appendix A.3).

7.2 The Six Fractures

Six linked fractures explain the broken transmission from growth to welfare.

First, growth is concentrated in low-elasticity, low-employment sectors.

As Chapter 6 showed, output has leaned on oil and capital-intensive services, which create few jobs per unit of output.

Second, structural transformation has stalled. Labour leaving agriculture has moved into informal services rather than manufacturing, adding little to aggregate productivity and leaving workers in precarious, low-income activity.

Third, a human-capital deficit caps productivity at the root. With two-thirds of children multidimensionally poor and large deprivations in early childhood, the productive capacity of the future workforce is being mortgaged today. The digital-skills gap, only about 38 percent of young Nigerians with basic digital competence, is the same fracture expressed in the technologies of the present decade.

Fourth, deep spatial inequality concentrates deprivation in the North and the rural economy, so that national averages conceal regions where poverty is near-universal.

Fifth, real incomes were decapitalised by the adjustment, with too thin a social-protection floor to cushion the fall, the sacrifice of Chapter 3.

Sixth, insecurity has become a binding constraint on production itself. In the Middle Belt and the North-West, violence removes land, labour and livestock from productive use; in affected local government areas it closes markets and suppresses enterprise. The World Bank recorded about 1.17 million people in IPC Phase 3 (Crisis) food insecurity in north-eastern Nigeria in the second quarter of 2025, and in September 2025 listed Nigeria as the country with the largest absolute number of people facing high acute food insecurity, 30.6 million (Figure 9.2). No agricultural strategy can succeed on land that cannot be farmed.

Each fracture has a corresponding pillar in the Compact: Pillars I and IV answer the first, Pillars II and VIII the second, Pillar III the third, Pillar VI the fourth, Pillar V the fifth, and Pillar VII the sixth. The diagnosis is not a counsel of despair; it is a map of exactly where policy must act.

8 Evidence and Ideas: A Brief Review

The Compact is not idiosyncratic. It stands on a large body of development economics and on Nigeria's own data.

8.1 Why a Review Matters

The argument of this paper is not idiosyncratic; it stands on a large body of development economics and on Nigeria's own experience. A brief review situates the Compact in that tradition and shows that its central claims are well-founded.

8.2 Structural Transformation and the Lewis Tradition

The classical account of development, from Lewis onward, describes growth as the transfer of surplus labour from a low-productivity traditional sector to a high-productivity modern one. Later scholarship refined the account but preserved its core: sustained rises in living standards come less from any single sector working harder than from labour and capital *reallocating* towards higher-productivity uses. The shift-share decomposition of Chapter 7 is the formal expression of this idea, and the stalling of the between-sector term is the technical statement of Nigeria's difficulty.

8.3 Jobless Growth and Premature Deindustrialisation

A recurring theme in the recent literature is *jobless growth*, expansions of output, often resource- or capital-led, that generate little employment.

A related concern is *premature deindustrialisation*: the tendency of some developing economies to shift out of agriculture into services without passing through a substantial manufacturing phase, thereby missing the sector historically most capable of absorbing labour at rising productivity. Nigeria exhibits features of both. The policy response in the literature is not to abandon services or resist technology but to deliberately cultivate the labour-absorbing tradable sectors, a prescription this paper adopts in Chapter 10.

8.4 Conflict, Security and Production

A fourth strand, more prominent in the last decade than in classical literature, concerns the economics of insecurity. Conflict depresses agricultural output through the loss of land access, the destruction of assets, the disruption of input and output markets and the displacement of labour; its effects persist well after violence subsides, because farming households liquidate the productive assets that would allow them to recover. The implication for a jobs strategy is direct: in affected regions, security expenditure that restores access to land is not a diversion from the productive agenda but a component of it. This is the analytical basis of Pillar VII.

8.5 Beyond GDP

There is, finally, a substantial and now mainstream literature arguing that GDP is a necessary but insufficient gauge of economic performance, and that welfare, distribution and multidimensional deprivation must be measured alongside it. The Shared Prosperity Dashboard of Chapter 13 is an application of this tradition to Nigeria's circumstances.

8.6 The Nigerian Evidence

Nigeria's own data, the labour-force surveys, the living-standards survey, the multidimensional poverty index, and the NESG's sectoral work on decent work, corroborate the picture: a low headline unemployment rate coexisting with pervasive informality, low wage-employment, deep and spatially concentrated poverty, and a small formal core. The Compact is designed against precisely this evidence.

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY

67TH
**ANNUAL
CONFERENCE**

9 The Jobs and Production Compact: A Covenant for Shared Prosperity

Eight pillars, four partners, one accountable covenant, and an operating instrument to place young Nigerians inside it.

9.1 The Idea of a Compact

Past jobs strategies have rarely failed for want of ideas; they have failed for want of coordination and follow-through. The Jobs and Production Compact is therefore designed not as a list of demands on government but as a covenant of *reciprocal* commitments among four national partners, each of whose actions is necessary for the others' to bear fruit:

- * the **Federal Government**, macroeconomic discipline, productive public investment, an enabling policy and trade regime, and, under this the paper, the security backstop of Pillar VII and the matching grants to states of Pillar VIII;
- * the **State Governments**, land, security, agriculture, and the local business environment where most jobs are actually created; states are co-signatories with named, published deliverables under Pillars VI, VII and VIII;
- * the **Private Sector**, investment, formalisation, hiring, and anchor partnership in the Open Digital Area (Section 9.3); and
- * **Labour and Citizens**, skills, participation and productivity, with an explicit pathway for young Nigerians into digital and agro-industrial work.

Each party carries obligations; each is held to published targets (Section 9.4 and Chapter 13). The design principle is symmetry: no partner is asked to move first alone, and no partner may claim the benefits of the Compact while withholding its own side of it.

9.2 The Eight Pillars

The Compact rests on eight pillars, each answering a fracture from Chapter 7 (Figure 9.1).

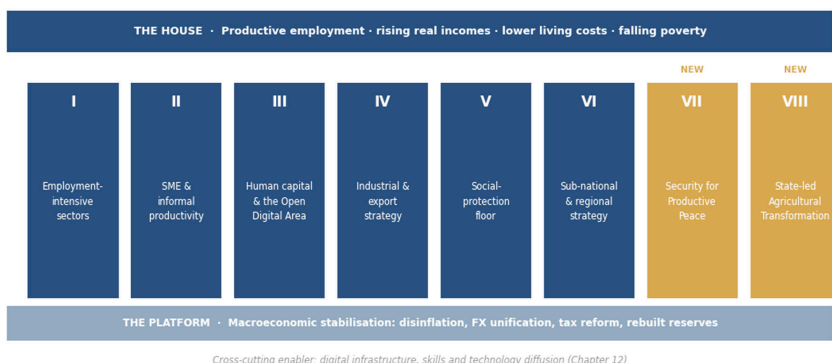


Figure 9.1 The Jobs and Production Compact: eight pillars raised on the platform of stabilisation.

Source: Author's construction. Risks are drawn from the six fractures of Section 7.2 and the delivery constraints of Chapters 14 and 16; each mitigation maps to the pillar or instrument named in the row. Each pillar is mapped one-to-one onto a fracture identified in Section 7.2, and is raised on the stabilisation record of Chapter 2.

Pillar I, Reorient growth towards the employment-intensive sectors

Agriculture ($\epsilon \approx 0.70$), construction (0.62) and light manufacturing (0.52) generate far more jobs per naira of output than oil and gas (0.05). The Compact tilts public investment, tax incentives, procurement and trade policy towards these sectors. Chapter 10 sets out the six priority sectors, their binding constraints and the headline intervention for each.

Pillar II, Raise the productivity of labour-intensive SMEs and the informal economy

Micro, small and medium enterprises account for about 96 percent of Nigerian firms and roughly 84 percent of jobs. The Compact eases the three constraints that bind them, power, finance and formalization, and lifts informal-economy productivity through extension services, shared infrastructure and digital tools. Chapter 11 develops the agenda.

Pillar III, Build human capital and align skills to jobs

Early childhood development remains the foundation, and the Compact treats it as economic infrastructure rather than social spending. The skills-to-jobs half of the pillar is operationalised through the Open Digital Area (Section 9.3): a federal–state–private network in which any young Nigerian can acquire a market-relevant skill and any investor can find, appraise and fund an innovation.

Pillar IV, An industrial and export strategy for productive wage employment

Lift the wage-employment share above its 17 percent floor through value chains, local content and non-oil exports under the African Continental Free Trade Area. Wage employment is the form of work most reliably associated with escape from poverty, and its expansion is the clearest single test of whether the Compact is working.

Pillar V, A social-protection floor

Well-targeted, shock-responsive transfers linked to a verified household register, protecting the ultra-poor and redeeming the sacrifice of Chapter 3. Those who bore the heaviest costs of adjustment have the strongest claim on the first fruits of recovery.

Pillar VI, A sub-national and regional strategy for the North and the rural economy

States as co-signatories accountable for local delivery, with spatial inequality addressed through targeted infrastructure and human-capital investment in the local government areas of deepest deprivation.

Pillar VII, Security for Productive Peace

Why a security pillar belongs in an economic compact. Insecurity is now the binding constraint on agricultural output in the Middle Belt and North-West, and on enterprise activity in affected local government areas. The World Bank recorded about 1.17 million people in IPC Phase 3 (Crisis) food insecurity in north-eastern Nigeria in the second quarter of 2025; by September 2025 it listed Nigeria as the country with the largest absolute number of people facing high acute food insecurity, 30.6 million (Figure 9.2). That is a security-driven humanitarian outcome with direct economic consequences. Without security, the production gains promised by Pillars I, II and VIII will not materialise, and the resources devoted to them will be wasted.

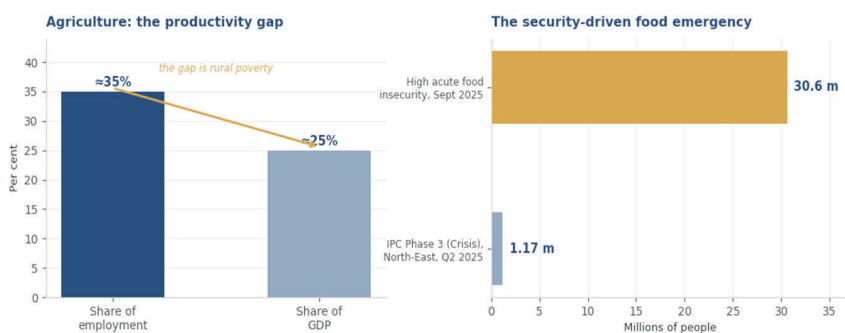


Figure 9.2 The rural fracture: agriculture's productivity gap (left) and the security-driven food emergency (right).

Source: NBS Labour Force Survey 2024–25; World Bank Nigeria Development Update, April 2026; World Bank Food Security Updates 117 (June 2025) and 118 (September 2025).

What the Compact commits to. Four instruments, each with a named owner and a published trigger:

1. **A Federal Security–Production Compact.** A binding framework under which the Federal Government clears and holds territory in designated agricultural corridors, while the States commit the land administration, extension officers and storage required to convert reclaimed territory into productive use within twelve months of clearance. Security without follow-through returns land to idleness; follow-through without security returns farmers to danger.
2. **A Rural Safety Index,** published annually by the NBS, mapping insecurity, crop loss and MSME disruption at local government level. The Index is not a report but a release condition: it governs the disbursement of the federal matching grants under Pillar VIII, so that resources follow both need and verified progress.
3. **A Community Protection Corps,** embedded in agricultural extension and along livestock routes, drawing on the Safe Corridor experience domestically and on the integration of community policing with agricultural extension in Rwanda.
4. **A reinsured crop-and-asset insurance window** for farms and MSMEs in the designated corridors, federally reinsured and premium-subsidised for two seasons in order to crowd in private underwriters rather than displace them.

Pillar VIII, State-Led Agricultural Transformation

Why the states must lead. Agriculture employs about 30 percent of Nigerian workers, 25.3 million people, more than any other sector (Table 6.1), yet value added per worker in the sector remains a fraction of that in industry and modern services, and yields on priority crops sit far below regional comparators. That gap is not a statistical curiosity; it

is the arithmetic of rural poverty, and it is where the largest single productivity prize in the Nigerian economy lies. Yet almost every instrument that would close it, land titling, extension, storage, rural roads, input distribution, is administered at state level. A federal ministry plan that arrives in state capitals unbidden will not close it. The Compact therefore makes agricultural transformation a state-led, federally-supported programme with named deliverables on both sides.

What the Compact commits to.

1. **State Agricultural Transformation Compacts.** Each State Governor signs a five-year compact with the Federal Government covering (i) land titling and registration for smallholders; (ii) input-subsidy reform through electronic coupons rather than fuel-dependent distribution; (iii) extension coverage, with a target of one officer per thousand farmers; (iv) storage and cold chain; and (v) agro-processing zones.
2. **A Federal Matching Grant for States,** ring-fenced at an amount equivalent to 0.5 percent of federally collected value-added tax, released against verified state outputs, hectares under improved seed, tonnes stored, jobs created in agro-processing, and conditioned on the Rural Safety Index of Pillar VII.
3. **A yield uplift target** of 40 percent on the priority crops, rice, maize, cassava, sorghum, soybean and tomato, by 2030.
4. **Agro-processing zones,** anchored on the existing Special Agro-Industrial Processing Zones and their successor programme, targeting one million jobs in processing and logistics by 2030.

Pillars VII and VIII are deliberately paired. Security without agricultural investment produces safe but unproductive land; agricultural investment without security produces destroyed assets. Their instruments are

therefore linked by a single release condition, so that neither can proceed far ahead of the other.

Section 9.5 sets out what this pillar would deliver if it were executed to the growth path the Compact itself proposes, and Appendix H supplies the federal and state responsibilities, the production clusters, the performance formula and the dashboard in signable form.

9.3 The Open Digital Area: A Youth-Skills and Investor-Innovation Zone

The Open Digital Area (ODA) is the operational instrument through which Pillars III and II deliver jobs at scale for young Nigerians. It is designed as a single national network of physical-and-digital nodes where three things happen in the same place:

- * any young Nigerian can enroll in a structured, market-relevant course of twelve to thirty-six weeks, earn a micro-credential, and be matched to a job, a freelance contract or start-up incubation;
- * any domestic or foreign investor can browse a curated, due-diligence-ready pipeline of innovations, in agricultural technology, financial technology, education, climate, creative and health technology, and reach an investment or partnership decision in days rather than quarters;
the Federal Government, the State Governments, the private sector and labour co-fund, co-locate and co-curate that pipeline, replacing a fragmented landscape of donor pilots, ministry programmes and state technology hubs with a single accountable system.

9.3.1 Why the Compact needs it

Three facts make an instrument of this kind unavoidable. First, about 1.7 million graduates enter the labour market each year, and a formal economy with a 17 percent wage-employment share cannot absorb them. Second, only about 38 percent of young Nigerians aged 15 to 35 have basic digital skills, while the Federal Government's Three Million Technical Talent programme is already training at scale and can serve as a ready-made skills backbone. Third, Lagos was named the fastest-growing technology ecosystem in the world for 2025; the returns to that momentum are today captured almost entirely by one city. The ODA exists to convert a demographic fact into a productive workforce, and to carry a Lagos phenomenon to the other five geopolitical zones.

9.3.2 Design: five components

1. **Physical-and-digital nodes.** One ODA hub in each of the six geopolitical zones, co-located with a state university, a federal polytechnic, and an existing technology hub, in Lagos, Abuja, Kano, Port Harcourt, Enugu, and Maiduguri. Each node offers reliable power and internet, study space, the course catalogue, and investor meeting rooms.
2. **A skills backbone.** The Three Million Technical Talent programme becomes the ODA's training engine, with the Compact's priority sectors: agricultural, financial, health, climate, creative, logistics and manufacturing technology.
3. **An innovation pipeline.** A single, investor-grade deal-flow platform listing curated ventures with a standard due-diligence pack, incorporation, intellectual property, traction, team and financials, so that appraisal is a matter of days.

4. **An investor concierge.** One federal–state point of contact for licences, visas, regulatory sandboxes and clarity on the foreign-exchange treatment of repatriable seed and Series A capital.
5. **Accountability and measurement.** The Shared Prosperity Dashboard of Chapter 13 gains an ODA panel, youth trained, jobs placed, MSMEs onboarded, capital mobilised, projects co-funded, published quarterly.

9.3.3 Indicative targets to 2030

Table 9.1 The Open Digital Area: indicative targets, baseline 2025 to 2030.

Indicator	Baseline (2025)	2030 goal
ODA hubs operational (geopolitical zones)	0	6, plus 18 state nodes
Youth trained and credentialed (3MTT + ODA)	≈500,000 cumulative	≥ 5 million cumulative
Innovation projects in the deal-flow pipeline	Fragmented; no single register	≥ 2,000 active
Investor capital mobilised into the pipeline	n/a	≥ US\$2 bn cumulative
ODA-linked jobs (placed and incubated)	n/a	≥2 million

Source: *Compact roadmap, Appendix E. Targets are indicative and to be ratified by the Compact partners against baseline data.*

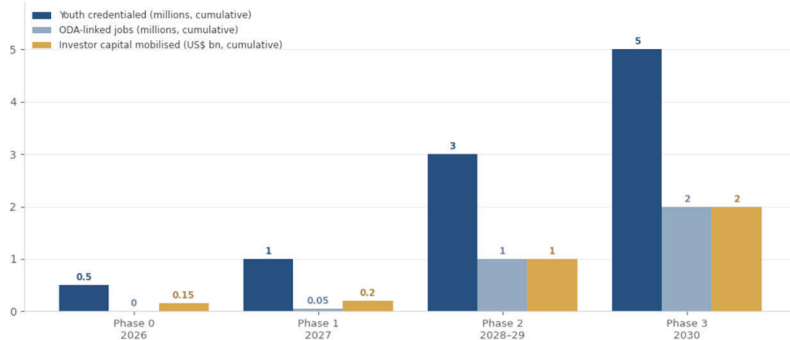


Figure 9.3 The Open Digital Area: indicative delivery path to 2030.

Source: *Appendix E, implementation roadmap.*

9.3.4 Roles and commitments

The Federal Government hosts the platform, expands the skills curricula, provides the regulatory sandbox and foreign-exchange clarity, and co-funds the six zonal nodes. **State Governments** provide land and host-state co-funding, integrate the ODA into state skills boards, and absorb ODA-trained young people into state digital projects. **The private sector** takes anchor tenancy in each node, contributes curriculum, and hires through the ODA matching engine. **Labour and citizens** complete courses, form or join ventures, and contribute to the pipeline. No component is the property of any single ministry; the design deliberately makes each partner's contribution visible and auditable.

9.3.5 International lessons incorporated

Four experiences shaped the design. Rwanda's Kigali Innovation City, a 61-hectare, US\$2 billion purpose-built innovation district with anchor institutional tenants, targeting US\$150 million of annual ICT exports and US\$300 million of foreign direct investment, demonstrates the value of co-locating universities, firms and investors, and is the model for the node concept. Lagos State's Science, Research and Innovation Council already funds student innovation in future technologies, artificial intelligence and robotics, and green technology; it becomes the Lagos node rather than a parallel scheme. India's digital-skilling and FutureSkills programmes, built around a national digital public infrastructure, inform the curriculum-alignment method. Kenya's Konza Technopolis informs the investor-concierge model. The ODA borrows the mechanism in each case and adapts it to Nigeria's scale and federal structure; it does not import an institution wholesale.

9.4 Measurable Targets to 2030

A compact without numbers is an aspiration. The Compact commits its partners to measurable, time-bound targets for jobs, productivity,

exports and real household incomes (Table 9.2), and to a headline target for each pillar (Table 9.3). The targets are *indicative*, calibrated to be ambitious yet defensible, and are to be finalised against baseline data before adoption. They are consolidated for reference in Appendix B.

Table 9.2 Core Compact targets, baseline (2025) to 2030.

Target	Baseline (2025, approx.)	2030 goal
Productive-employment rate	≈35% of labour force	≥55%
Net new productive jobs	–	≈3 million per year (≈15m cumulative)
Labour-productivity growth	≈1% per year	≥3% per year
Non-oil exports (index)	Base = 100	Double (index ≈200)
Median real household income (index)	Base = 100	+25% in real terms
Poverty headcount (national line)	≈63%	< 45%
MSMEs accessing formal credit	Low base	+5 million enterprises
Agricultural yields (priority crops, index)	Base = 100	+40%
Broadband penetration / electricity access	≈50% / ≈60%	≈90% / ≈90%

Source: Baselines from the sources at Appendix D; targets are policy choices to be ratified by Compact partners.

Table 9.3 Headline 2030 target by pillar, including the two new pillars.

Pillar	Headline 2030 target
I – Employment-intensive sectors	≥3 million productive jobs per year; non-oil export index ≈200
II – SME and informal productivity	+5 million MSMEs in formal credit; +25% median real income
III – Human capital and the Open Digital Area	5 million young Nigerians digitally credentialed; 2 million jobs placed through the ODA
IV – Industrial and export strategy	Wage-employment share ≥25% (from a 17% floor)
V – Social-protection floor	Shock-responsive transfers reaching 30 million ultra-poor
VI – Sub-national and North/rural strategy	Multidimensional poverty in bottom-quintile LGAs cut by 20 percentage points
VII – Security for Productive Peace	Rural Safety Index published annually; twelve-month corridor clearance in five priority corridors
VIII – State-led Agricultural Transformation	+40% yields on priority crops; 1 million agro-processing jobs

Source: Author's construction. The schedule sequences the Phase 1 commitments of Appendix G across the first twenty-four months, ordered by institutional dependency rather than by pillar. Targets are 2030 policy ambitions derived from the sectoral employment arithmetic of Chapter 6 and the dashboard baselines of Table 13.1; they are ambitions, not forecasts.

9.5 A Worked Demonstration: What Agriculture and Livestock Alone Would Deliver

9.5.1 Why the Compact Needs a Worked Example

The preceding sections set out eight pillars and a schedule of targets. A schedule of targets is not an argument; it is a list. What moves a government to reallocate money is a demonstration that a single, bounded, executable programme returns more than it costs, and returns it in the currencies by which governments are judged: jobs, output, foreign exchange and the price of food. This section supplies that demonstration. It takes one pillar, Pillar VIII, together with the security condition on which it depends under Pillar VII, and follows it through to the household, the factory gate and the balance of payments.

Agriculture and livestock are chosen for the exercise for four reasons, none of them sentimental. The first is arithmetic. Chapter 6 established that agriculture carries the largest product of employment elasticity and employment base in the Nigerian economy, approximately 122,000 jobs for each point of growth directly, and half as many again downstream at no additional public cost. The second is gestation. A planting season is measured in months and a laying cycle in weeks, where a refinery or a rail corridor is measured in years; a government with a five-year horizon needs instruments that report back inside it. The third is incidence. Food dominates the budget of the poor, so raising agricultural productivity is simultaneously an employment policy and a cost-of-living policy, the double dividend noted at Section 10.2. The fourth, and the least appreciated, is institutional readiness. The delivery machinery is largely built: a Federal Ministry of Livestock Development established in 2024, the National Livestock Transformation Plan, the Special Agro-Industrial Processing Zones now in their second phase, the Nigerian Export Promotion Council's One State One Product programme, and thirty-six state ministries of agriculture already holding the land, extension and feeder-road instruments. The demonstration therefore requires coordination and concentration far more than it requires invention.

One caution frames everything that follows. To say that agriculture and livestock alone would deliver a great deal is not to say that agriculture and livestock alone would be sufficient. The pillar cannot supply the wage employment of Pillar IV, the credentials of the Open Digital Area or the social-protection floor of Pillar V, and a country cannot reach middle-income status on primary production. What the demonstration establishes is narrower and more useful: that the largest, fastest and most certain block of the Compact's employment target lies inside a single value chain, and that the case for concentrating the capital envelope there can be made in numbers rather than in adjectives.

The section makes one further claim, and it is the reason this material belongs inside the Paper rather than alongside it. The figures

that follow are not free-standing scenario assertions. Every employment figure is generated by applying the coefficients of Table 6.4 to a stated agricultural growth path; every output figure is generated from those growth paths and the sectoral shares of the rebased national accounts; every external-sector figure is anchored to a published 2025 baseline. The scenarios are therefore falsifiable. If the coefficients are wrong, the conclusions move in a known direction by a known amount, which is the most that can honestly be asked of a projection.

9.5.2 The Unit of Analysis Is the Agrifood System, Not the Farm

The single most consequential error in Nigerian agricultural policy is to count only farm jobs. Section 6.7 showed why. Every increase in marketed farm output must be assembled, graded, stored, financed, hauled, processed, packaged, wholesaled, retailed and, in the best case, exported. Each of those verbs is an occupation, and most of them are urban. Trade, at 23.1 million workers the second-largest employer in the country, is in substantial part the distribution arm of agriculture; food and beverage manufacturing and haulage are, in Nigeria, largely agricultural derivatives. They do not generate their own throughput. They handle what the productive economy supplies.

The policy implication is precise. The objective is not simply to raise output but to raise the share of output that enters organised commercial value chains, because it is commercialisation, not cultivation, that creates the downstream work. A tonne of maize eaten in the compound where it was grown creates one job. The same tonne aggregated, stored, milled, bagged, branded and sold in Lagos creates several, and generates tax. Table 9.4 sets out where that work arises.

Table 9.4 The agrifood value chain: where the work is created.

Value-chain segment	Representative occupations and enterprises	Employment intensity	What the segment contributes
Inputs and nurseries	Seed producers, fertiliser blenders and dealers, agrochemical distributors, nursery operators, feed millers	High	Yield, and rural enterprise formation
Mechanisation and irrigation	Tractor operators and mechanics, fabricators, irrigation and drone technicians, machinery leasing	High	Scale, and skilled youth entry points
Primary crop production	Farmers, farm managers, agronomists, irrigation and field labour	Very high	Food and industrial raw material
Livestock, poultry and aquaculture	Herders and ranch staff, dairy and poultry operators, pond and cage operators, hatchery staff	Very high	Protein, and daily cash income
Extension, veterinary and research	Extension officers, soil scientists, breeders, veterinarians, climate advisers	Skilled, medium volume	Yield, resilience and animal health
Aggregation and wholesale	Aggregators, commodity merchants, market operators, purchasing agents, graders, weighbridge staff	Very high	Connects dispersed farms to processors, cities and exporters
Storage and cold chain	Warehouse and silo operators, cold-room technicians, inventory and warehouse-receipt staff	High	Cuts post-harvest loss; permits year-round trade

Value-chain segment	Representative occupations and enterprises	Employment intensity	What the segment contributes
Transport and logistics	Drivers, loaders, dispatchers, fleet managers, refrigerated haulage	Very high	Moves food from surplus to deficit regions; narrows spatial price gaps
Processing and agro-industry	Rice, cassava, oil-palm, tomato, cocoa, dairy, meat, fish and feed processing; packaging and labelling	Very high	Domestic value addition and industrial employment
Quality, standards and certification	Laboratory technicians, food scientists, sanitary and phytosanitary inspectors, traceability officers	Skilled	Export-market access
Retail and food services	Market traders, supermarkets, neighbourhood shops, restaurants, caterers, institutional suppliers	Very high	The largest urban and peri-urban commerce channel
Export and port services	Export merchants, freight forwarders, customs agents, documentation specialists, port logistics	High and skilled	Converts surplus into foreign exchange
Finance and insurance	Bank agricultural desks, inventory financiers, insurers, loss assessors, cooperative finance	Skilled	Working capital, and management of production and price risk
Digital and circular services	Market platforms, price-information services, payment agents, compost, biogas and by-product feed enterprises	Growing, youth-intensive	Lower transaction costs, formalisation and resource efficiency

Source: Author's construction. Employment intensities are qualitative orderings consistent with the sectoral elasticities of Table 6.3 and the absorption ratios of Table 6.2; they are not independent estimates. The segment weights used to distribute the jobs of Figure 9.5 are at Appendix H.

Two features of that table govern the fiscal argument. The downstream segments require no public spending in trade, processing or transport: they are induced by output, and private capital supplies them. And they are disproportionately urban, which matters because urban labour underutilisation exceeds rural. Agricultural capital expenditure is therefore a national employment instrument with an urban second round, not a rural programme with rural benefits.

9.5.3 Livestock as the Second Engine, Not an Appendix to Crops

Nigerian policy has customarily treated livestock as an adjunct to crop farming, and principally as a security and land-use problem. The economics point the other way. Nigeria's national herd is among the largest in Africa, yet the country produces roughly 700,000 tonnes of milk against annual consumption of about 1.6 million tonnes, imports close to sixty per cent of the milk it drinks, and carries a dairy import bill estimated at more than US\$1.5 billion a year, most of it in powdered form. In December 2025 Nigeria contracted to buy some 200,000 tonnes of powdered milk from Uganda, a country with a herd materially smaller than its own. That transaction is the clearest available statement of the problem: the constraint is not animals but yield, aggregation, cold chain and processing.

The productivity gap is extraordinary even by the standards of Nigerian sectoral gaps. Much of the national herd consists of pastoral breeds yielding under one litre a day, against twenty to thirty litres in commercial dairy systems. A gap of that order is not closed by exhortation, but it is closed by a known and unglamorous sequence: breed improvement, registered pasture and formulated feed, animal health, milk collection and chilling centres, processing capacity and a guaranteed offtake. Every step in that sequence is a business, and most of the steps are labour-intensive.

The Federal Ministry of Livestock Development has itself put the ambition at scaling the livestock economy from roughly US\$32 billion to

US\$74 billion over a decade, anchored on national livestock industrial zones in each geopolitical zone with export-certified abattoirs, dairy clusters and integrated leather parks. The demonstration in this section does not compete with that plan. It quantifies what delivering it, in step with crop agriculture, would mean for national employment and the external accounts.

One methodological point should be recorded. Published estimates of the national herd differ very widely, from about twenty million cattle in some sources to over fifty million in others. That dispersion is not a footnote; it is itself a finding, and it is why the livestock dashboard at Appendix H opens with a registration and census obligation. A sector whose principal asset cannot be counted to within a factor of two cannot be financed, insured, taxed or exported at scale.

Table 9.5 The livestock chains: employment channel and external-sector channel.

Chain	Where the employment arises	External-sector opportunity
Dairy	Dairy farmers, milk collectors, chilling-centre and laboratory staff, processors, distributors; daily cash income with high women's participation	Displaces imported milk powder and dairy products; the single largest identified import-substitution prize
Beef and cattle	Breeders, ranch and feedlot workers, feed producers, veterinarians, transporters, abattoir staff, meat processors, cold-chain operators	Reduces meat-product imports; regional exports where certification permits
Small ruminants	Breeders, herders and ranchers, animal-health workers, traders, processors	Meat, together with the hides and skins that feed the leather chain
Poultry and eggs	Hatcheries, feed mills, farmers, veterinarians, processors, egg aggregators, distributors	Reduces poultry-related imports; fast-cycle enterprise formation
Hides, skins and leather	Collectors, tanneries, leather technicians, footwear, bag and furniture manufacturers	Finished leather rather than raw hides, at several times the value per animal
Fisheries and aquaculture	Hatcheries, feed producers, pond and cage operators, processors, cold chain, traders	Import substitution in a large deficit market, and regional export
Animal feed	Maize and soya processors, feed formulators, mill operators, distributors	Reduces imported feed ingredients and raises the competitiveness of every downstream chain
Veterinary and breeding services	Veterinarians, para-vets, artificial-insemination technicians, laboratories, vaccine and cold-chain staff	Compliance with animal-health standards, which is the precondition of any livestock export

Source: Author's construction, drawing on the Federal Ministry of Livestock Development's transformation agenda and reported dairy-sector magnitudes. Chains are ordered by identified import-substitution value, not by herd size.

9.5.4 The Employment Arithmetic, Reconciled with Chapter 6

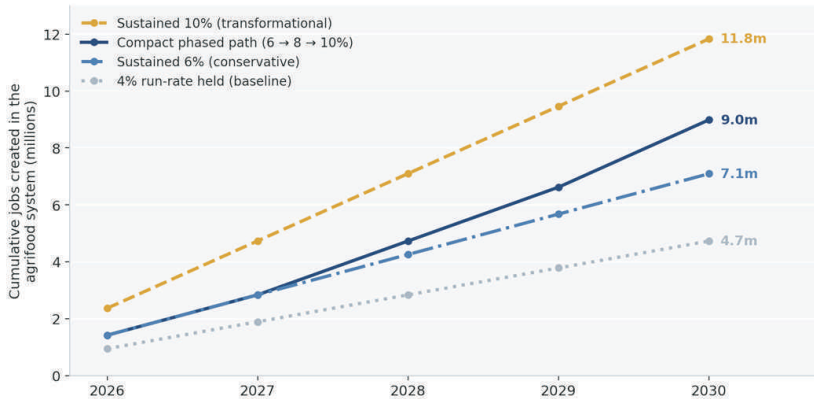
The employment claim of this section is not a new estimate. It is the arithmetic of Table 6.4 carried forward over five years. Table 6.4 gives the number of agrifood jobs created in a single year at each rate of agricultural growth; accumulating those annual figures along a stated growth path gives the programme total. Two adjustments are then required, and both are declared rather than buried. Table 6.4 models three downstream channels only, namely wholesale and retail trade, food and beverage manufacturing, and transport and storage. It therefore omits input supply, agricultural finance and insurance, veterinary and breeding services, tanning and leather goods, export and port services, and the induced local-economy employment that higher rural and peri-urban incomes support. Those omitted channels are added here at twenty-nine per cent of the modelled core, a proportion taken from the value-chain weights at Appendix H.

The result is set out at Table 9.6, and it is the most important table in this section. It shows that the widely quoted conservative and transformational bands for an agricultural compact, seven million and twelve million jobs, are not competing guesses. They are the same model evaluated at two different growth rates: six per cent sustained, and ten per cent sustained. The Compact's own phased path, six per cent in Foundations, eight per cent in Scale-up and ten per cent in Consolidation, as set out at Table 6.5, falls between them and yields approximately nine million.

Table 9.6 The demonstration reconciled with the employment arithmetic of Chapter 6.

Agricultural growth path	Agrifood jobs a year (Table 6.4)	Core cumulative, five years	Total, including omitted channels	Scenario this reproduces
4% run-rate held (no Compact)	733,000	3.67 million	4.7 million	Baseline
6% sustained	1,100,000	5.50 million	7.1 million	The conservative case
Compact phased path, 6 → 8 → 10%	1,394,000 average	6.97 million	9.0 million	The central case
10% sustained	1,835,000	9.18 million	11.8 million	The transformational case
Phased path extended to maturity (seven years)	1,520,000 average	10.64 million	13.7 million	Upper bound at maturity

Source: Author's computation from Table 6.4. Figures are gross jobs created in the agrifood system, the convention used throughout Chapter 6, not employment net of the baseline; the baseline row is shown so that the incremental gain can be read directly. The uplift for omitted channels is 29 per cent of the modelled core (Appendix A.8).

**Figure 9.4 Cumulative agrifood employment to 2030 under alternative agricultural growth paths.**

Source: Author's computation from Table 6.4. The gap between the top and bottom paths, approximately seven million jobs over five years, is the employment value of the agricultural growth rate itself.

Two implications follow, and they should be read together. The first is the scale of the gap between paths. Holding agriculture at its current four per cent run-rate produces 4.7 million agrifood jobs over five years; the phased path produces 9.0 million; sustained ten per cent produces 11.8 million. The difference between the worst and the best of these is roughly seven million jobs, or two full years of national labour-market entry as measured at Table 6.7. That difference is not attributable to any new sector, technology or external circumstance. It is attributable to the rate of growth of a sector Nigeria already has.

The second implication concerns where the work appears. Applying the agrifood multiplier of approximately 1.5 established at Section 6.7, and distributing each block by the value-chain weights at Appendix H, gives the composition at Figure 9.5. Slightly over half the employment arises on the farm; slightly under half arises off it, in processing, aggregation, wholesale, logistics, retail, food service, finance and export logistics. This is the single most important political fact in the demonstration. An agricultural programme is not a transfer to rural constituencies. Roughly half of what it creates is urban, commercial, and largely privately financed.

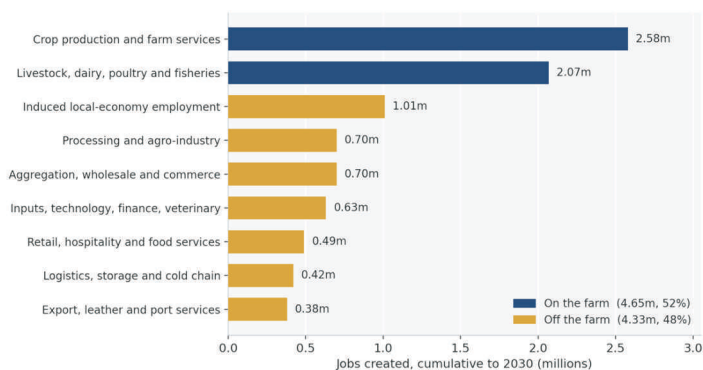


Figure 9.5 Where the nine million jobs arise: on-farm and off-farm employment under the Compact phased path.

Source: Author's computation. On-farm and off-farm shares are set by the agrifood employment multiplier of Section 6.7; the distribution within each block follows the value-chain weights at Appendix H. Figures are cumulative to 2030 and may not sum exactly owing to rounding.

9.5.5 Output, Value Added and the Level of GDP

The output effect follows from the same growth paths. On the rebased national accounts, agriculture contributes approximately 27.5 per cent of value added. To that must be added the share of trade, food and beverage manufacturing, and transport and storage that is attributable to agricultural throughput, which on the linkage coefficients of Section 6.7 is a further 9 to 10 per cent of GDP. The agrifood system therefore accounts for approximately 37 per cent of Nigerian value added, or on a 2025 economy of roughly US\$285 billion, something in the order of US\$105 billion.

Moving agriculture from its four per cent run-rate onto the phased path raises the level of agricultural value added approximately 18.5 per cent above baseline by 2030, and carries the attributable downstream value added up with it. The arithmetic yields additional annual value added of about US\$18 billion by 2030, equivalent to roughly six per cent on the level of GDP, rising to about US\$30 billion, or roughly ten per cent, if the path is sustained to maturity in the seventh year. At the value-added-to-gross-output ratio typical of Nigerian agriculture and agro-processing, approximately 0.37, those figures correspond to additional annual economic activity of about US\$50 billion and US\$85 billion respectively.

Three cautions attach, and they are not decorative. This is a level effect, not a permanent increase in the trend rate of growth: the economy shifts onto a higher path and then grows from it. It assumes the additional agricultural output is genuinely additional rather than a reclassification of activity already occurring informally, which for a sector as incompletely measured as Nigerian agriculture is a real risk in both directions. And it is a partial-equilibrium calculation. A social accounting matrix or computable general equilibrium model would capture the price, wage and exchange-rate feedbacks that this arithmetic omits, and would almost certainly return a smaller number. The figures should therefore

be read as an upper estimate of the order of magnitude, and should be replaced by modelled values before any official adoption.

9.5.6 The External Account: The Export Side and the Import Side

Section 6.4 set out the export paradox: oil and gas generate close to 87 per cent of export earnings from 0.2 per cent of employment, while the sector that employs three in ten Nigerians earns a small fraction of the country's foreign exchange. Agriculture is the one intervention that addresses both sides of the external account at once, because it raises exports and reduces imports through the same investment.

The baseline is now well documented. Formal non-oil exports reached a record US\$6.1 billion in 2025, an increase of 11.5 per cent on 2024, across 281 products and 120 destinations, with cocoa beans alone accounting for US\$1.99 billion. The agricultural and agro-processed component of that total is approximately US\$3.5 billion, the remainder being urea, gold doré, aluminium, copper and other industrial and mineral products. On the other side of the ledger, and moving in the wrong direction, the food and beverage import bill reached ₦7.65 trillion in 2025, roughly US\$5.2 billion, having risen from ₦2.86 trillion in 2022. Nigeria is thus importing food at approximately one and a half times the value of everything it exports outside oil.

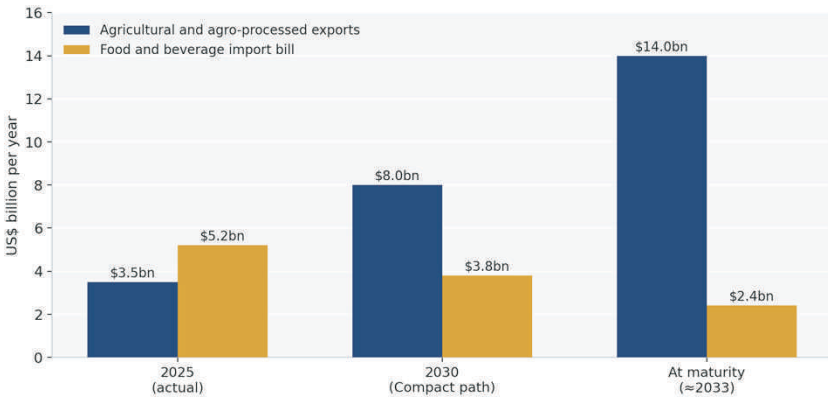


Figure 9.6 The two sides of the external account: agricultural exports against the food import bill.

Source: 2025 actuals from Nigerian Export Promotion Council non-oil export data and the National Bureau of Statistics food and beverage import series. Later columns are scenario values, not forecasts. The gross external-account contribution at maturity is the export increase plus the import reduction, approximately US\$13 billion a year.

The export path is deliberately tied to a target already adopted in this Paper. Table 9.2 commits the Compact to doubling the non-oil export index by 2030. Delivering that from a US\$6.1 billion base, with agriculture and agro-processing carrying the larger part of the increase, implies additional agricultural and agro-processed exports of approximately US\$4 to US\$5 billion a year by 2030. Sustained to maturity, and on convergence towards the agricultural export intensity of comparable producers, an additional US\$9 to US\$13 billion a year is attainable. This would put Nigerian agricultural exports at four to five per cent of GDP, above Kenya, below Côte d'Ivoire and far below Vietnam or the Netherlands. It is an ambitious target and a bounded one.

On the import side, the ceiling is the import bill itself, and this is where earlier iterations of this analysis overstated the case. No programme can substitute more imports than the country buys. Against a food and beverage import bill of about US\$5.2 billion, displacing a quarter to a third by 2030 yields US\$1.3 to US\$1.6 billion a year, and roughly half by

maturity yields US\$2.5 to US\$3.0 billion. Dairy alone, at more than US\$1.5 billion a year, accounts for a large share of the identified prize, which is why it is placed first at Table 9.5. Adding the two channels gives a gross external-account contribution of approximately US\$5.5 to US\$6.5 billion a year by 2030 and US\$12 to US\$16 billion at maturity.

The word gross is doing real work in that sentence and should not be dropped in presentation. Import-substituting production is not costless in foreign exchange: processing plants, cold-chain equipment, breeding stock, feed additives, packaging and veterinary inputs are themselves imported, particularly in the early years. The net balance of payments improvement will be materially smaller than the gross figure, and it will improve over time as domestic input industries develop. The dashboard at Appendix H therefore requires both to be published, and requires the import-substitution line to be verified against customs data rather than asserted from production figures.

9.5.7 The Consolidated Result, and What It Does Not Prove

Table 9.7 The agriculture and livestock demonstration: consolidated outcomes.

Outcome	At 2030 (five years, phased path)	At maturity (seven years)	Derivation
Jobs created in the agrifood system, cumulative	≈9.0 million	12 to 14 million	Table 9.6, from the coefficients of Table 6.4
of which created off the farm	≈4.3 million (48%)	6 to 7 million	Agrifood multiplier of ≈ 1.5, Section 6.7
Additional annual value added	≈US\$18 billion	≈US\$30 billion	Growth differential applied to a 37% agrifood share of GDP
Level of GDP above baseline	≈ 6%	≈ 10%	As above; a level effect, not a change in trend growth
Additional annual gross output	≈US\$50 billion	≈US\$85 billion	Value added at a ratio of 0.37 to gross output
Additional annual agricultural and agro-processed exports	US\$4 to 5 billion	US\$9 to 13 billion	Non-oil export doubling (Table 9.2), then convergence on peer export intensity
Verified import substitution	US\$1.3 to 1.6 billion	US\$2.5 to 3.0 billion	A quarter, then about half, of the 2025 food and beverage import bill
Gross external-account contribution	US\$5.5 to 6.5 billion a year	US\$12 to 16 billion a year	Sum of the two preceding rows; net gain is smaller
Federal fiscal cost	0.5% of collected VAT, pl us reallocation of the capital envelope towards 6% for agrifood	Unchanged in structure	Pillar VIII matching grant; Sections 6.8 and 14.2

Source: Author's computation, as derived in Sections 9.5.4 to 9.5.6 and Appendix A.8. Scenario values, not forecasts. All figures assume the security conditions of Pillar VII are met in the principal production corridors; they are not achievable without that.

Set against the Compact's headline target of approximately three million productive jobs a year, the demonstration accounts for something close to three-fifths of it from a single pillar. Set against the 2026 Appropriation, in which agriculture receives about 2.5 per cent of the Federal budget against the 10 per cent Nigeria has committed to under the Maputo, Malabo and Kampala declarations, it is difficult to identify another line of expenditure with a comparable job coefficient. That is the argument this section exists to make.

It is equally important to state what the demonstration does not establish. It does not show that agriculture should be the only priority; Chapters 10 to 12 exist because it should not. It does not show that the growth rates assumed are achievable, only what follows if they are; the binding question is execution, and the historical record on execution is discouraging, with nominal agricultural allocations rising more than tenfold since 2017 without commensurate output. It does not survive a collapse of rural security, which is why Pillars VII and VIII carry a single release condition. And it does not substitute for the modelling that must precede any official adoption of these numbers. The demonstration is an argument for concentration and for a commissioned model, not a forecast to be quoted as one.

The Proposition this Section Puts to Government

One pillar of the Compact, executed to the growth path the Compact itself proposes, would create approximately nine million jobs across the agrifood system by 2030, roughly half of them off the farm; would raise the level of GDP by about six per cent; and would improve the external accounts by approximately six billion dollars a year, rising towards thirteen at maturity. It would do so through a matching grant defined as a share of an existing revenue stream and a reallocation within the existing capital envelope, without new borrowing.

The ask is correspondingly specific. Raise the agrifood share of the Federal capital envelope towards six per cent, ring-fence at least half of it for mid-chain aggregation, storage, processing and logistics rather than for primary production alone, sign the state compacts of Pillar VIII in the first twelve months, and publish the verification data quarterly so that the claims in this section can be tested against outturn rather than repeated.

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY



10 The Employment-Intensive Sectors

Six sectors combine a high employment elasticity, a genuine Nigerian advantage, and a large addressable market.

10.1 Why These Six

A jobs strategy must be built on the sectors that actually convert growth into work (Figure 10.1), and on the employment bases to which their elasticities apply (Table 6.3). Six are decisive for Nigeria, chosen because each combines a high employment elasticity with a genuine Nigerian comparative advantage and a large addressable market. This chapter treats each in turn, naming the opportunity, the binding constraint, and the headline intervention (summarised in Table 10.1). Two cross-cutting questions, the transition facing the oil-producing communities, and the exposure of these sectors to climate risk, are taken up in Sections 10.8 and 10.9.

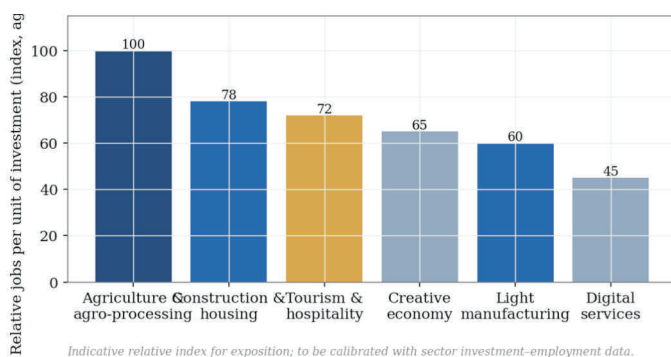


Figure 10.1 Employment intensity of the priority sectors (indicative relative index, agriculture = 100).

Source: NESG (2025); NBS Labour Force Survey. Index indicative (Appendix A.2).

10.2 Agriculture and Agro-Processing

Agriculture is the largest reservoir of employment and the fastest route to three goals at once: jobs, lower food prices, and non-oil exports. The strategic prize is the move *up the value chain*, from primary produce into storage, grading, processing and packaging, where the incomes and the export value lie. The binding constraints are finance, storage and logistics, and in parts of the country, insecurity that keeps farmers from their fields. The headline interventions are value-chain finance that reaches the smallholder, rural security, and the feeder roads and storage that reduce the post-harvest losses which today destroy a large share of what is grown. Because food dominates the budgets of the poor, raising agricultural productivity is simultaneously a jobs policy and a cost-of-living policy, a rare double dividend. Under Pillars VII and VIII, this sector now carries the Compact's most explicit federal–state delivery machinery.

The magnitude of what this sector can carry, and the arithmetic behind it, is set out at Section 9.5.

10.3 Construction and Housing

Construction is fast-acting and absorbs low- and semi-skilled labour at scale, making it the sector that can put people to work most quickly. Nigeria's vast housing deficit provides a ready source of demand. The binding constraints are mortgage finance and insecure land titling; the headline interventions are a national housing programme and land-registry reform that unlocks property as collateral. Construction also builds the very infrastructure, roads, power, broadband, on which the other sectors depend.

10.4 Light Manufacturing

Light manufacturing is the classic engine of structural transformation, turning agricultural raw materials and imported inputs into tradable

goods while absorbing labour at rising productivity. The binding constraints are power, input costs and scale; the headline interventions are reliable electricity, industrial clusters that share infrastructure, and local-content policies that deepen domestic value addition. This is the sector whose expansion would most directly repair the stalled between-sector term of Chapter 7.

10.5 Tourism and Hospitality

Tourism and hospitality monetise culture, landscape and heritage, with a high local-employment content and strong linkages to transport, food and the creative economy. The binding constraints are security, access and marketing; the headline interventions are destination security, improved air and road access, and coordinated promotion. Tourism's jobs are, by their nature, rooted in place and difficult to automate away.

10.6 The Creative Economy

The creative economy, film, music, fashion and digital content, is a proven Nigerian comparative advantage and a source of soft power, exports and, above all, youth employment. The binding constraints are intellectual-property protection, finance and distribution; the headline interventions are a creative-industry financing facility, effective enforcement of intellectual-property rights, and support for global distribution. Few sectors are as intensely youth-facing, and none carries Nigeria's brand further.

10.7 Digital Services

Digital services, from business-process outsourcing to software and platform work, offer globally tradable, high-growth employment well matched to the graduate cohort of Chapter 6. The binding constraints are broadband, power and skills; the headline interventions are the

digital infrastructure and skills programmes of Chapter 12, delivered through the Open Digital Area. Digital services allow a young Nigerian to sell her labour to the world without leaving the country.

Table 10.1 The priority sectors: opportunity, binding constraint, and headline intervention.

Sector	Core opportunity	Binding constraint	Headline intervention
Agriculture & agro-processing	Jobs, food security and exports	Finance, storage, security, logistics	Value-chain finance; rural security; feeder roads and storage
Construction & housing	Rapid mass employment	Mortgage finance; land titling	Housing programme; land-registry reform
Light manufacturing	Tradable goods; transformation	Power; input costs; scale	Reliable power; industrial clusters; local content
Tourism & hospitality	High local job content	Security; access; marketing	Destination security; air and road access; promotion
Creative economy	Youth jobs; soft power; exports	IP protection; finance; distribution	Creative-industry fund; IP enforcement; export support
Digital services	Tradable graduate jobs	Broadband; power; skills	Broadband and data centres; the Open Digital Area

Source: Author's synthesis; sector fact sheets with lead partners at Appendix C.

10.8 A Just Transition for the Oil-Producing Communities

A strategy that deliberately tilts growth away from hydrocarbons owes an answer to the communities whose economies were built around them. The Niger Delta host communities face a double exposure: the environmental legacy of extraction, and the prospect of a national development model that no longer places their resource at its centre.

The Compact therefore treats a just transition not as an afterthought to Pillar I but as a condition of its legitimacy.

Three commitments follow. First, the host-community development trusts established under the Petroleum Industry Act should be the delivery vehicle for a ring-fenced share of the Compact's sectoral programmes, in agro-processing, fisheries, logistics and the maritime economy, rather than a parallel scheme. Second, the skills programmes of Pillar III should be weighted towards the transferable competences that oil-and-gas workers already hold: instrumentation, welding, safety systems, marine engineering and industrial maintenance, all of which transfer directly into manufacturing, construction and renewable installation. Third, remediation itself is employment: environmental restoration in the Delta is labour-intensive, locally sited and, on any honest accounting, overdue. A published transition plan for these communities, with its own line in the dashboard of Chapter 13, is a modest cost against the political and human cost of leaving them out.

10.9 Climate Resilience as an Employment Strategy

Nigeria is among the countries most exposed to climate risk, and the two sectors on which this chapter leans most heavily, agriculture and construction, are also the two most exposed to it. Flooding displaces farming households and destroys stored harvest; heat stress and rainfall variability reduce yields; coastal erosion threatens the infrastructure that the housing programme would build. Modelling by the World Bank and the Global Facility for Disaster Reduction and Recovery suggests that adaptation investment could avoid losses of the order of a hundred billion dollars by 2030, an avoided loss that dwarfs the cost of the adaptation itself.

The implication for the Compact is not a separate climate pillar but a design rule applied within the existing ones: irrigation, drought-tolerant seed and post-harvest storage under Pillar VIII; flood-resilient standards and siting in the housing programme under Pillar I; and, in

the ODA pipeline, an explicit climate-technology vertical. Adaptation spending is, in the Nigerian case, unusually job-rich, drainage, embankment, reforestation, irrigation and retrofit are all labour-intensive and locally delivered, so the resilience agenda and the employment agenda are, for once, the same agenda.

11 Labour-Intensive SMEs and the Productivity of the Informal Economy

Ninety-six percent of firms and roughly eighty-four percent of jobs. No jobs strategy can succeed that does not reach them.

11.1 The Backbone of Employment

Micro, small and medium enterprises are the backbone of Nigerian employment, about 96 percent of firms and roughly 84 percent of jobs, and the informal economy, in which most of them operate, is where the majority of Nigerians actually earn their living. No jobs strategy can succeed that does not raise the productivity and the incomes of these enterprises. The challenge is that informality is both a symptom of low productivity and a cause of it: informal firms are cut off from formal credit, from larger contracts, and from the protections and infrastructure that would let them grow.

11.2 Easing the Three Constraints

Three constraints bind labour-intensive SMEs: finance, power and formalisation. On finance, the Compact expands access to working capital and equipment finance through credit guarantees, movable-collateral registries and digital lending built on transaction data. On power, it prioritises the reliable, affordable electricity, including distributed solar and mini-grids, without which no small manufacturer can compete. On formalisation, it treats the 2026 tax reform's low-earner threshold and small-business exemption as an *on-ramp* rather than a barrier: formalising

an enterprise should bring access to credit, contracts and protection, not merely a tax bill. The design principle is that formality must *pay*.

11.3 Raising Productivity in Agriculture and the Informal Economy

The largest productivity prize lies in the farm and the informal firm, because that is where most Nigerians and the lowest productivity are found. Raising it does not require frontier technology; it requires the diffusion of proven tools and practices, better seeds and inputs, extension advice, storage and processing, digital market and price information, mobile payments and credit, and simple management and quality improvements. Chapter 12 shows how digital technology accelerates exactly this diffusion, and Pillar VIII provides the state-level machinery to deliver it. A one-off increase in the productivity of the informal majority would do more for national welfare than a large gain confined to the small formal core, precisely because it is spread across so many households.

12 The Digital and AI Frontier: Raising Productivity, Managing Displacement

Technology need not reduce aggregate employment where output and demand expand fast enough to offset labour-saving productivity gains. Its distributional and occupational effects can nonetheless be substantial, and managing them is part of the policy task.

12.1 The Central Worry, Answered

The natural fear is that artificial intelligence and automation will destroy jobs in a country that desperately needs them. The economics, properly stated, gives a more hopeful and more actionable answer. Output growth can be decomposed, in the familiar growth-accounting identity, into the contributions of technology, capital and labour:

$$\frac{\Delta Y}{Y} = \frac{\Delta A}{A} + \alpha \frac{\Delta K}{K} + (1 - \alpha) \frac{\Delta L}{L}$$

technology (TFP) • capital • labour

In plain terms: *an economy grows for three reasons: better technology and know-how, more machines and infrastructure, and more people at work.*

AI and digital technology raise the first term, total factor productivity. Must higher productivity reduce employment? It need not. Rearranging in growth-rate terms, employment growth is simply the gap between output growth and productivity growth:

$$g_L = g_Y - g_\pi$$

In plain terms: *the number of jobs grows by however much output growth exceeds productivity growth. So the total number of jobs falls only when the economy is not growing fast enough to absorb what the new productivity makes possible, though which jobs, and in which occupations, can change a great deal even when the total holds.*

Worked example: when technology adds jobs

Suppose digital and AI adoption raises productivity growth from 1 percent to 4 percent. If output growth is stuck at 3 percent, employment growth is $3\% - 4\% = -1\%$: technology *does* displace labour.

But if the same productivity surge is accompanied by faster output growth, say 7 percent, as demand expands into the new capacity, then employment growth is $7\% - 4\% = +3\%$: employment rises *even as* each worker becomes far more productive.

The lesson is clear, but it must be stated carefully. What the identity governs is *aggregate* employment: technology reduces the total only where output growth fails to keep pace with productivity growth. In a growing economy, which the Compact is built to deliver, rising productivity and rising employment can advance together. The identity is silent, however, on which occupations those jobs are in, and on who holds them.

Two qualifications. The identity governs totals, not composition, and two things follow. The first is that technology acts on the labour market through several channels at once: it displaces some tasks, augments others, creates entirely new ones, reallocates labour between sectors, alters relative wages, tilts demand towards particular skills, and imposes a period of transitional unemployment on those whose occupations change. Employment can therefore decline in particular occupations, firms and localities *within* a growing economy, and to the worker concerned the aggregate is no consolation. The second is that adjustment is neither automatic nor instantaneous: displaced workers must be retrained,

matched and in some cases relocated, and the speed of that adjustment is itself a policy variable. This Paper therefore treats the distributional and occupational effects of technology as design requirements rather than footnotes. The tiered skills programme of Section 12.3, the social-protection floor of Pillar V and the Labour-Market Information System of Section 13.4 exist precisely to make the occupational transition visible, financed and survivable.

The policy imperative, therefore, is not to resist technology but to ensure that demand and output grow fast enough to keep output growth above productivity growth, and to equip Nigerians to work *with* the new tools rather than be displaced by them. This requires three things: infrastructure, skills and adoption.

12.2 Digital Infrastructure: Electricity, Broadband and Data Centres

Digital productivity rests on physical foundations that Nigeria has not yet secured (Figure 12.1). Electricity is the binding constraint: no digital economy runs on an unreliable grid, and firm-level power reliability remains far below what productive digital work requires. Broadband, affordable, high-quality mobile coverage with deep fiber penetration is the second foundation; penetration rose from 48.15 percent in April 2025 to 50.58 percent in November 2025, progress that is real but far short of what a digital jobs strategy requires. Data centres and local cloud capacity are the third: hosting Nigerian data and compute domestically lowers latency and cost, keeps value onshore, and is the precondition for any sovereign AI capability. The Compact treats these three as a single infrastructure programme, since each is of little use without the others.

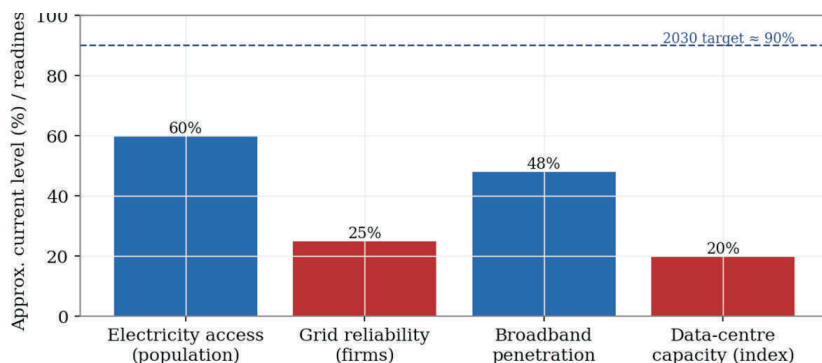


Figure 12.1 The digital enabling environment: indicative current levels against a 2030 target of roughly 90 percent.

Source: NCC broadband penetration data, 2025; power and data-centre positions indicative (Appendix A).

Table 12.1 Digital enablers: gap and priority action.

Enabler	Current gap	Priority action
Electricity (access and reliability)	Access partial; firm-level reliability low	Generation and grid investment; distributed solar and mini-grids
Broadband (coverage and affordability)	Penetration ~ 51%; cost too high; coverage uneven	Fibre expansion; spectrum release; lower right-of-way costs
Data centres and cloud	Thin domestic capacity	Incentivise data-centre investment; government as anchor demand
Digital identity and payments	Improving but incomplete	Complete ID coverage; interoperable payment rails

Source: NCC; author's synthesis.

12.3 Digital Skills and the Future of Work

Infrastructure without skills is a road with no drivers. The Compact commits to a tiered digital-skills programme delivered through the Open Digital Area: *foundational* literacy, basic digital and data skills for all students and workers, against a baseline in which only about 38 percent of young Nigerians have them; *intermediate* skills, the practical tools of platform work, digital marketing and data handling that the creative and services sectors demand; and *advanced* skills, software engineering, data science and applied artificial intelligence, for a cadre able to build, not merely consume, technology. The future of work will reward those who use AI as a *complement*, a tool that raises what a worker can do, and the skills programme is designed to place that complement in as many hands as possible, with deliberate attention to the graduate cohort of Chapter 6 and to young women.

12.4 Technology Adoption in Agriculture, Manufacturing and SMEs

The productivity prize lies less in frontier invention than in the diffusion of existing technology through the sectors where most Nigerians work. In agriculture, digital advisory services, precision inputs, weather and market data, and mobile-based finance and traceability can raise smallholder yields and incomes, directly attacking the low-productivity term that stalls structural transformation, and directly supporting the yield target of Pillar VIII. In manufacturing, affordable automation, digital design and enterprise software raise quality and competitiveness, allowing firms to grow and hire rather than shrink. In SMEs, cloud tools, e-commerce, digital payments and AI-assisted services let small firms reach larger markets and operate more productively at low cost. The strategy is diffusion-first: the greatest returns come from bringing proven tools to the many, not exotic tools to the few.

www.nigerianeconomicsociety.org.ng



NIGERIAN
ECONOMIC
SOCIETY



13 Measuring What Matters: Beyond GDP

What is measured is what is managed. If we wish to manage shared prosperity, we must measure it.

13.1 The Case Against GDP as a Sole Gauge

The prosperity paradox is, in part, a *measurement* failure. A nation that steers by GDP growth and a flattering unemployment rate will congratulate itself while its households fall behind, because neither number reports whether ordinary Nigerians are better off. What is measured is what is managed; if we wish to manage shared prosperity, we must measure it. GDP remains indispensable, but it must be complemented.

The most direct corrective is to track the **real income of the household** rather than aggregate output alone. Real household income deflates nominal income by the price level,

$$y_t^{real} = \frac{Y_t^{nom}}{P_t}$$

In plain terms: *divide what a household earns by what things cost. Only when the first grows faster than the second is the family actually better off.*

so that a rise counts as progress only if it outpaces inflation, precisely the test the paradox years fail.

13.2 A Shared Prosperity Dashboard

The paper proposes that Nigeria adopt, alongside GDP, a **Shared Prosperity Dashboard** (Table 13.1): a small, transparent set of indicators

reported together and tracked to the 2030 targets of Chapter 9. Where a single summary figure is useful, the dashboard can be combined into a **Shared Prosperity Index** as a weighted average of normalised indicators,

$$SPI = \sum_k w_k \tilde{x}_k, \quad \tilde{x}_k = \frac{x_k - x_k^{min}}{x_k^{max} - x_k^{min}}$$

In plain terms: *each indicator is converted to a score between zero and one, and the scores are averaged using agreed weights, producing a single number the public can follow from year to year.*

where each indicator is rescaled to a common range from zero to one and the weights sum to one.

Worked example: reading the index

Suppose the productive-employment rate is 35 percent against a floor of 20 and a ceiling of 60. Its normalised value is $(35 - 20) \div (60 - 20) = 0.375$. If the 2030 target of 55 percent is reached, the normalised value rises to $(55 - 20) \div (60 - 20) = 0.875$. Applying agreed weights across all dashboard indicators yields a single index that moves from baseline towards target (Figure 13.1), an auditable number the public can track year by year.

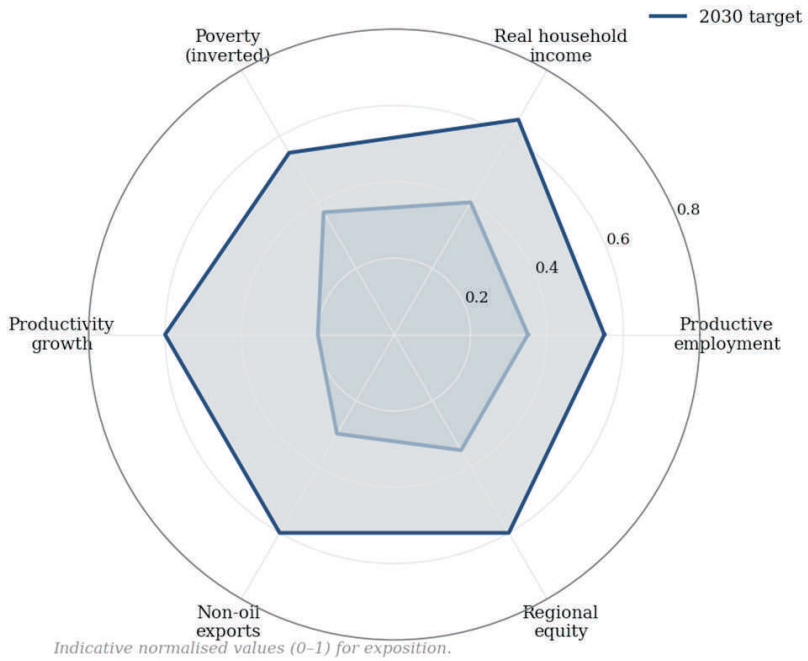


Figure 13.1 The Shared Prosperity Index: indicative baseline versus 2030 target across six dimensions.

Source: Author's construction. Each dimension is normalised on the $(\text{actual, baseline}) / (\text{target, baseline})$ scale defined in the box above, using the baselines and 2030 targets of Table 13.1.

Table 13.1 The Shared Prosperity Dashboard.

Indicator	What it captures	Baseline (2025)	2030 target
Productive-employment rate	Share in decent, income-adequate work	≈35%	≥55%
Median real household income	Living standard of the typical family	Base = 100	+25%
Poverty headcount	Breadth of deprivation	≈63%	< 45%
Multidimensional poverty	Depth across health, education, living standards	133m	< 90m
Labour-productivity growth	Sustainability of income gains	≈1%/yr	≥3%/yr
Non-oil export share	Diversification and resilience	Low	Materially higher
Regional poverty gap (North, South)	Inclusiveness across space	Wide	Narrowing
Rural Safety Index (Pillar VII)	Security of access to productive land	Not yet published	Published annually; improving
ODA panel (Pillar III)	Youth trained, placed; capital mobilised	Fragmented	Published quarterly

Source: Author's construction. Indicators are selected against the six dimensions of Section 13.2; baselines are the most recent official releases registered at Appendix D and targets are the 2030 ambitions of Section 9.4.

13.3 Governance and Accountability

The dashboard is published annually; each Compact partner, federal, state, and private, carries a scorecard against its commitments; and the Nigerian Economic Society reviews progress before this conference each year. Measurement, in this design, is not a technical afterthought

but the mechanism that gives the Compact teeth. Two of its panels carry release conditions attached: the Rural Safety Index governs disbursement under Pillar VIII, and the ODA panel governs the phased capitalisation of the Open Digital Area.

13.4 A Labour-Market Information System

One institutional gap runs beneath every target in this paper. Nigeria measures its labour market twice a year at national and, at best, state level; it cannot say, in any given quarter, which occupations are in demand in which local government area, or what they pay. Without that, skills programmes train for yesterday's vacancies, state governments cannot appraise their own interventions, and the Compact's targets can be reported only long after the point at which they could have been corrected.

The Compact therefore proposes a Labour-Market Information System, built by the NBS with the statutory data it and its partners already hold: quarterly vacancy and wage data at local-government level, assembled from employer returns, pension and tax registrations, public-employment services and the job-matching engine of the Open Digital Area, published as open data on a fixed calendar. The cost is modest and the return is disproportionate, because the LMIS is what makes every other pillar measurable in something closer to real time. It should be treated as statistical infrastructure of the same standing as the consumer price index.

Blank

14 Financing the Compact and Making It Work

The Compact must be paid for without undoing the stability that makes it possible.

14.1 Financing Without Fresh Fragility

The Compact must be paid for without undoing the stability that makes it possible. Four sources align (Figure 14.1).

First, the revenue gains of the tax reform: as the consolidated system and modernised revenue service raise the tax-to-GDP ratio, the additional revenue funds productive investment rather than consumption.

Second, the *reallocation* of subsidy savings from petrol and foreign exchange towards the infrastructure, human-capital and social-protection pillars.

Third, efficiency savings from better public financial management.

Fourth, crowded-in private capital, mobilised by credible policy, bankable projects and blended finance, which must ultimately carry the largest share of investment in the productive sectors.

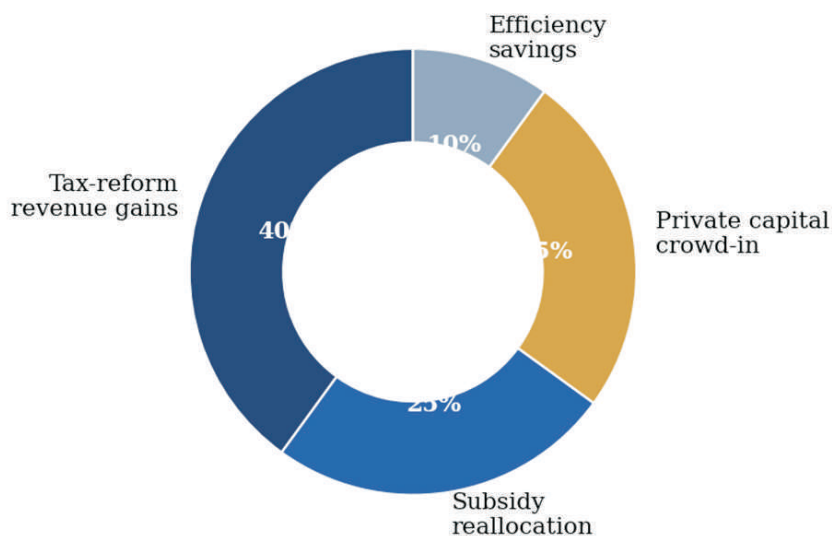


Figure 14.1 Financing the Compact without fresh fragility: indicative composition of sources.

Source: Author's construction; shares indicative and to be sized in the financing plan (Appendix A.6).

Worked example: the revenue arithmetic

Government revenue is approximately the tax-to-GDP ratio multiplied by GDP. Raising that ratio from 12 to 18 percent of GDP lifts revenue by half relative to the base; a six-point rise on a twelve-point base is a 50 percent increase in the ratio.

That is a very large fiscal space created *without raising rates*, purely by broadening the base and improving compliance. Even a portion of the increment, ring-fenced for the Compact's pillars, would fund a transformative investment programme.

14.2 A Financing Rule and the Debt Constraint

With debt service a heavy claim on the budget, the emphasis falls on the *efficiency and composition* of spending rather than on new borrowing. The financing rule is simple: the Compact is funded from a growing, better-mobilised revenue base, reallocated subsidy savings, efficiency gains, and crowded-in private capital, not from a return to the imbalances of the past. Table 14.1 sketches an indicative scenario.

Table 14.1 Indicative financing scenario for the Compact (illustrative shares, to be sized in the financing plan).

Source	Indicative share	Nature
Tax-reform revenue gains	≈ 40%	Recurrent fiscal space from a higher tax-to-GDP ratio
Subsidy reallocation	≈ 25%	Redirected from petrol and foreign-exchange subsidies
Crowded-in private capital	≈ 25%	Investment in productive sectors under blended finance
Efficiency savings	≈ 10%	Better public financial management

Source: Author's construction; indicative only.

The two new pillars are designed to fit inside this rule rather than to breach it. The Pillar VIII matching grant is defined as a share of an existing revenue stream, an amount equivalent to 0.5 percent of federally collected value-added tax, so that it scales with the success of the tax reform itself and requires no new instrument. The Pillar VII

security commitments are, for the most part, a reallocation and a sequencing of expenditure already appropriated, made conditional on the productive follow-through of the states. The insurance window is a reinsurance backstop, not a subsidy in perpetuity: it is time-limited to two seasons precisely so that private underwriters price the risk thereafter.

14.3 Sequencing and Early Wins

The sequencing of implementation will be critical to sustaining momentum and public confidence. The Compact should therefore give early priority to interventions capable of generating visible employment and income effects within a relatively short period. Agriculture, agro-processing and construction are particularly important in this regard because of their labour intensity, extensive domestic linkages and capacity to absorb workers across a broad range of skills.

Early progress in these sectors can demonstrate that macroeconomic stabilisation is beginning to translate into tangible economic opportunities, while building the confidence and support required for reforms whose benefits will take longer to materialise. These early gains should therefore complement, rather than substitute for, sustained investment in skills, manufacturing capability, digital infrastructure and other foundations of longer-term structural transformation.

14.4 A Diaspora Investment Compact

Nigeria's diaspora remittances represent a substantial and relatively resilient source of external financial flows. At present, however, much of these resources support household consumption and family obligations, with only a limited share channelled into productive investment. The opportunity is not to redirect remittances away from their important household welfare function, but to create credible additional avenues

through which members of the diaspora who wish to invest can participate more directly in Nigeria's productive transformation.

The Compact should therefore establish a clearly defined diaspora investment window within the Open Digital Area deal-flow platform, with diaspora investors participating on the same transparent due-diligence and investor-protection terms applicable to other investors. This could be complemented by a dedicated diaspora investment instrument, such as a bond or professionally managed fund, with transparent terms, appropriate incentives and a clearly published use-of-proceeds framework linked to priority areas of the Compact.

Two conditions will be particularly important to its credibility. First, investors require clarity and predictability regarding the foreign-exchange treatment and repatriation of investment returns. The investor concierge proposed in Section 9.3 should provide a transparent framework for addressing these requirements. Second, the proposition must rest on commercial fundamentals rather than sentiment alone: investible projects, credible governance arrangements, appropriate risk allocation and independently verifiable reporting on the use and performance of invested funds.

Approached in this way, the Nigerian diaspora should be viewed not simply as a source of remittances, but as a potentially important investor base, one with knowledge of the country, enduring economic connections and, in many cases, a longer-term investment horizon.

14.5 Who Pays and Who Benefits

The credibility of the Compact will depend not only on the aggregate benefits it generates, but also on how its costs and benefits are distributed across households, firms, regions and income groups. A transparent distributional assessment should therefore accompany implementation, identifying as clearly as possible who bears the adjustment costs, who receives the benefits, and how these effects evolve over time.

The expectation is that the overall distributional impact will be progressive. A major channel is the potential reduction in food costs arising from higher agricultural productivity, more efficient logistics and reduced post-harvest losses. Because food accounts for a substantially larger share of expenditure among lower-income households than among higher-income households, improvements in food affordability would generate proportionately greater welfare gains for those at the lower end of the income distribution. Employment creation and rising labour incomes would provide an additional channel through which the benefits of the Compact could be broadly shared.

That expectation, however, should be tested rather than assumed. Government should publish a periodic incidence assessment of the Compact, examining its effects across income groups, regions, gender and other relevant dimensions. The results should inform subsequent policy adjustments, including the targeting of complementary measures where particular groups bear disproportionate costs or receive insufficient benefits. Transparency about distributional outcomes would strengthen accountability, improve policy design and reinforce public confidence that the gains from reform and growth are being shared as widely as possible.

15 International Lessons: Jobs Compacts That Worked

Not a model to copy, but a set of principles that recur wherever growth has been turned into work.

15.1 Learning From Peers

Nigeria is not the first country to face the task of turning growth into jobs, and the international record offers usable lessons (Figure 15.1, Table 15.1). The point is not to copy any model wholesale but to extract the principles that recur across successful transformations.

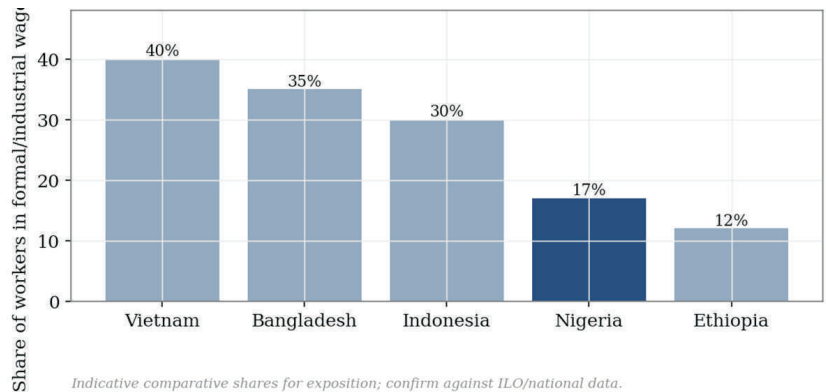


Figure 15.1 The wage-job gap: Nigeria against transformation peers (indicative shares of workers in formal or industrial wage jobs).
Source: World Bank; ILO. Shares indicative and not strictly comparable across definitions (Appendix A.7).

15.2 What the Successes Share

Across the most successful cases, several features recur. Labour-intensive, *export-oriented* manufacturing repeatedly served as the escalator from farm to factory, absorbing labour at rising productivity. Deliberate *industrial policy*, special economic zones, reliable infrastructure, and coordination between government and firms, was the norm, not the exception. A serious commitment to *human capital and skills* preceded and accompanied the transformation. *Agricultural productivity* rose first, releasing labour and lowering food costs. And *digital infrastructure and identity-and-payments systems* increasingly underpinned inclusion and productivity in the most recent cases. Each of these principles is embedded in the Compact.

Table 15.1 Selected international lessons and their application to the Compact.

Experience	Lesson	Application in the Compact
Labour-intensive export manufacturing (East and South-East Asia)	Tradable, job-rich sectors escalate incomes	Pillars I and IV: light manufacturing, non-oil exports
Special economic zones and clusters	Shared infrastructure overcomes firm-level constraints	Pillar I: industrial clusters, reliable power
Agricultural productivity drives	Raising yields releases labour and cuts food costs	Pillar VIII: state-led agricultural transformation
Digital public infrastructure (India)	Identity plus payments deepen inclusion and productivity	Pillar II and Chapter 12: payments, digital adoption
Skills systems aligned to demand (India, Rwanda)	Human capital is the binding long-run constraint	Pillar III: the Open Digital Area
Innovation districts (Kigali Innovation City; Konza Technopolis)	Co-location of universities, firms and investors compresses appraisal time	Section 9.3: ODA nodes and investor concierge
Security-led recovery of farmland	Restoring access to land is a productive investment	Pillar VII: security for productive peace

Source: Author's synthesis; Kigali and Konza details from the project authorities (Appendix D).

15.3 A Caution

The lessons come with a caution. Transformations succeed where policy is *consistent* over many years and *coordinated* across government, and they stall where it is neither. Institutions that were built for a specific national context, the Asian development banks, the Rwandan administrative capacity, the Indian digital stack, are not portable in their institutional

form, only in their mechanism. This is the strongest argument for the Compact's design: a public covenant, with named commitments and annual scorecards, is a device for sustaining consistency and coordination across the political cycle.

16 Sequencing, Risks and the Political Economy of Delivery

A covenant with no delivery machinery is a communiqué. This chapter supplies the machinery.

16.1 Sequencing

The Compact is a decade-long undertaking, but its credibility depends on early, visible results. The sequencing therefore front-loads the fast-acting sectors, agriculture, agro-processing, construction and the creative economy, whose jobs appear within one to two years, while simultaneously laying the longer-gestation foundations of power, broadband, skills and manufacturing capacity whose full payoff arrives later in the decade. Early wins build the political capital that the harder, slower reforms require. The sectoral logic of that ordering, which sectors, in which phase, and the employment each is expected to yield, is set out in Table 6.5; Appendix F sets out the first twenty-four months in schedule form.

16.2 Risks and Mitigations

Five risks deserve candid statement, and each is matched to a mitigation already contained in the design (Table 16.1).

Table 16.1 Principal risks to delivery and their mitigations.

Risk	How it would bite	Mitigation in the design
Macroeconomic backsliding	A return of inflation or currency instability would dissolve the platform	Continued monetary and fiscal discipline; the financing rule of Chapter 14
Insecurity	Suppresses agriculture, tourism and investment directly	Pillar VII: security treated as economic policy, with the Rural Safety Index as the trigger
Fiscal slippage around the electoral cycle	Compact spending displaced by short-horizon commitments	Transparent financing rule; published scorecards (Chapter 13)
Implementation capacity, federal and state	The quietest but most pervasive risk to every pillar	Reciprocal design; matching grants released against verified output; Compact Delivery Authority (16.4)
Coordination failure between tiers	Federal programmes arriving in state capitals unbidden	Pillars VI and VIII: states as co-signatories with named deliverables

Source: Author's construction.

16.3 The Political Economy of Reform Continuity

Reforms endure when their benefits are broad and visible and when their governance survives changes of administration. The Compact is designed for continuity: it is a covenant among institutions and sectors, not a programme of a single office; its targets are public; and its progress is reviewed each year before this Society and the nation. In a period of pre-electoral pressures, such transparency is not a constraint on good policy but its protection.

16.4 A Compact Delivery Authority

Coordination does not happen because a document asks for it. The Compact therefore requires a single, small, accountable delivery unit, a Compact Delivery Authority located at the Presidency, with four functions and no more: to hold the target register; to run a quarterly stocktake with each pillar owner against that register; to operate the verification on which the Pillar VIII matching grants and the ODA capitalisation are released; and to publish, without ministerial clearance, the scorecards of Chapter 13.

Three design rules make the difference between such a unit and the many coordinating bodies that have preceded it. It must be *small*, a delivery unit of a few dozen analysts, not a new agency with a mandate to implement, since a body that implements cannot credibly audit. It must have *the right of publication*: data whose release requires the consent of the department being measured is not accountability. And it must have *a hand on the money*, through the verification triggers, since a coordinator without a lever is a correspondent. The model is the small delivery unit familiar from other jurisdictions, adapted to a federal system in which most of the delivery is done by governments the Authority cannot instruct, which is precisely why its instruments are verification and publication rather than direction.

16.5 Who Does What, and When

Everything in this paper finally reduces to a practical question: on any given morning between now and 2030, what is each partner supposed to be doing? A covenant that cannot answer that question is a communiqué. Figure 16.1 answers it in outline, and Appendix G answers it in full, a matrix that states, workstream by workstream and phase by phase, what is asked of the Federal Government, of the State Governments, of the private sector, and of labour and citizens.

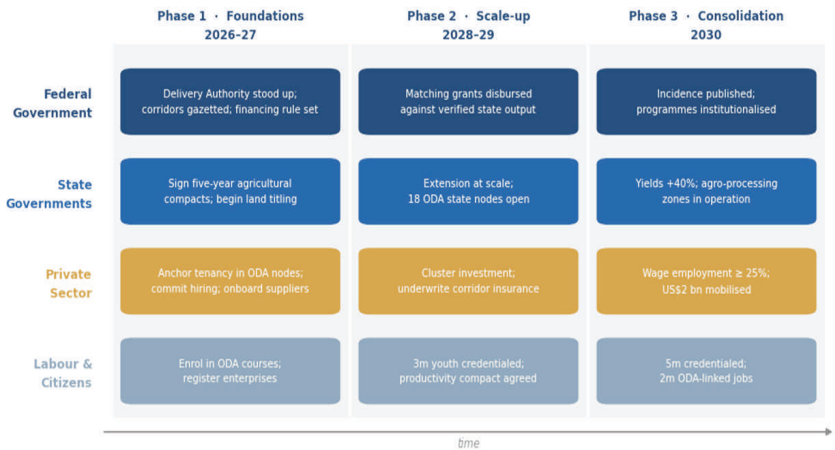


Figure 16.1 The delivery sequence: what each partner does in each phase of the Compact.

Source: Author’s construction. The figure summarises the delivery matrix of Appendix G, in which each cell states the commitment of a named partner in a given phase.

Three features of the design deserve emphasis, because they are what distinguish a matrix from a wish list. The first is *reciprocity*: the matrix should be read across its rows before it is read down its columns, because within any row no partner can deliver unless the others do. Federal money for agricultural transformation is wasted without state extension officers; state extension officers achieve little on land that is not secure; secured land produces no income without private investment in storage and processing; and none of it raises a household’s income unless workers acquire the skills to take up the work. The row is the unit of delivery, not the cell.

The second is *sequencing*. Phase 1 builds machinery and buys public patience with quick, visible jobs; Phase 2 converts machinery into volume, with money moving against verified output rather than against promises; Phase 3 makes the arrangement permanent and retires the temporary instruments, the reinsurance backstop, the credit guarantees,

the transition support, so that what remains is commercial and self-sustaining. A programme that still needs its scaffolding in 2030 has not succeeded.

The third is *verification between phases*. Each phase closes with a confirmation by the Delivery Authority against the target register, and that confirmation is what releases the next phase's money. This is the mechanism by which the Compact avoids the fate of its predecessors: it is difficult to abandon quietly a commitment that was published, costed, assigned to a named partner, and made the condition of a disbursement.

16.6 Limitations

Four limitations attach to the diagnosis of Part II, and a fourth to the proposal of Part III.

First, the evidence base is uneven in coverage and vintage. The labour-market data rest on the revised methodology adopted by the National Bureau of Statistics in 2023, which is not strictly comparable with the earlier series; the 2025 poverty figures are projections rather than survey outturns; and several 2026 indicators remain provisional. Where a figure is provisional it is identified as such in Appendix D, but short-run movements should be read with corresponding caution, and every 2025 and 2026 statistic, poverty, inflation, reserves, labour market and broadband above all.

Second, the elasticities are orders of magnitude rather than parameters. The sectoral employment elasticities of Chapter 6 are estimated from a small number of observations over a period containing both a recession and a large relative-price adjustment, and several are indicative rather than estimated. They are reliable enough to rank sectors, which is the use to which this Paper puts them; they are not reliable enough to project employment precisely. The linkage coefficients behind the downstream employment of Table 6.4 are explicit assumptions tested for sensitivity

at Appendix A.2 rather than estimated, and the job totals of Tables 6.5 and 6.7 are accordingly scenario arithmetic conditional on those assumptions, not forecasts.

Third, the framework is partial rather than general-equilibrium. A reallocation of the capital envelope on the scale proposed would itself move relative prices, wages, the exchange rate and the sectoral allocation of private capital in ways that a partial framework cannot capture. The estimates indicate direction and order of magnitude under stated assumptions; they are not the output of a closed model.

Fourth, and most importantly, the institutional architecture is a design and not a finding. Whether a Compact Delivery Authority can in practice publish without ministerial clearance, whether state compacts can be enforced by verification, and whether matching grants survive a change of administration are questions of political economy that no analysis can settle in advance. Section 16.2 sets out the risks and the mitigations; it does not claim to have removed them. This Paper therefore invites two distinct kinds of scrutiny: of its diagnosis, against the evidence; and of its proposals, against Nigeria's institutional experience.

17 Conclusion: The Prosperity We Owe

Nigeria has done the hard thing. It has stabilised an economy that was slipping its moorings; it has begun to mobilise revenue, to unify its currency, and to restore the confidence of those who invest in its future. And it has borne the cost of doing so, a cost paid in higher food prices and diminished purchasing power, in the squeezed margins of small businesses and the anxieties of ordinary families. That achievement is real, and it should be honoured; that sacrifice is real, and it should be redeemed.

But stabilisation was always the first act, not the whole play. The calm we fought for is a platform, and a platform is not a home. The next economic frontier is the one this paper has mapped: the frontier at which macroeconomic stability becomes work, income, lower living costs and dignity in the Nigerian household. Crossing it requires that we measure the right things, that we build on the sectors that actually create jobs, that we raise the productivity of the farm and the small enterprise, that we secure the land on which food is grown, that we make the new technologies our servants rather than our masters, and above all that we act *together*, government, states, business, labour and citizens, under a single, accountable covenant.

That covenant is the Jobs and Production Compact: now an eight-pillar covenant, with Security for Productive Peace and State-Led Agricultural Transformation standing alongside the six pillars of the original, and with the Open Digital Area as the operational bridge

between young Nigerians and the work of the next decade. It asks something of each of us, and it promises something to all of us: that the gains now visible in our aggregates will, within this decade, be visible at the Nigerian table.

The measure of our success will not be the elegance of our indicators but the plain fact of whether the Nigerian household is better off, in work, in income, and in dignity, than it is today. That is the prosperity we owe our people, and it is within our reach. Let us, as a profession and as a nation, resolve to reach it.

References

- Africa50. *Kigali Innovation City: project overview*. Casablanca: Africa50, 2025.
- Ajakaiye, O., Jerome, A. T., Nabena, D. and Alaba, O. A. *Understanding the Relationship between Growth and Employment in Nigeria*. UNU-WIDER Working Paper / Brookings Institution.
- Central Bank of Nigeria. *Monetary Policy Communiqués, Statistical Bulletin, Economic Reports and daily reserves data, 2024–2026*. Abuja: CBN.
- Federal Republic of Nigeria. *Nigeria Tax Act 2025; Nigeria Tax Administration Act 2025* (effective 1 January 2026); *Nigeria Revenue Service (Establishment) Act 2025; Joint Revenue Board (Establishment) Act 2025*. Abuja.
- Federal Republic of Nigeria. *Petroleum Industry Act 2021*, Chapter 3 (host communities development trusts). Abuja.
- International Labour Organization. *Key Indicators of the Labour Market; Resolutions concerning statistics of work, employment and labour underutilization*. Geneva: ILO.
- Konza Technopolis Development Authority. *Investor services and master plan*. Nairobi, 2025.
- Lagos State Science Research and Innovation Council (LASRIC). *Innovation funding programmes, 2024–2025*. Lagos.
- Lewis, W. A. "Economic Development with Unlimited Supplies of Labour." *The Manchester School*, 1954.
- McMillan, M., and D. Rodrik. "Globalization, Structural Change and Productivity Growth." NBER/UNIDO, 2011.

- National Bureau of Statistics. *Consumer Price Index Reports*, December 2024 and December 2025 releases. Abuja: NBS.
- National Bureau of Statistics. *Foreign Trade in Goods Statistics, Q2 2025*. Abuja: NBS.
- National Bureau of Statistics. *Nigeria Labour Force Survey, Annual Report 2023*. Abuja: NBS. (Most recent full sectoral employment breakdown; source for Table 6.1.)
- National Bureau of Statistics. *Nigeria Labour Force Survey, Q2 2024 – Q2 2025*. Abuja: NBS.
- National Bureau of Statistics. *Nigeria Multidimensional Poverty Index Report*. Abuja: NBS.
- National Bureau of Statistics. *Nigerian Gross Domestic Product Report, Q3 2025 – Q1 2026 (rebased, 2019 base year)*. Abuja: NBS.
- National Bureau of Statistics. *Nigerian Living Standards Survey 2022/23*. Abuja: NBS.
- National Bureau of Statistics / EFInA. *SMEs Financial Diaries and Country Data Overview, 2024*. Abuja.
- National Communications Commission. *Industry statistics: broadband penetration, 2025*. Abuja: NCC.
- Nigerian Economic Summit Group. *From Hustle to Decent Work*. Lagos: NESG, 2025.
- National Information Technology Development Agency. *Three Million Technical Talent (3MTT) programme, 2024–2028*. Abuja: NITDA.
- PwC Nigeria. *Nigeria Economic Outlook 2026*. Lagos: PwC, January 2026.
- Rodrik, D. "Premature Deindustrialization." *Journal of Economic Growth*, 2016.
- Rwanda Ministry of ICT and Innovation. *Kigali Innovation City programme update*. Kigali: MINICT, 2025.
- Stiglitz, J., A. Sen, and J.-P. Fitoussi. *Report by the Commission on the Measurement of Economic Performance and Social Progress*, 2009.
- World Bank. *Nigeria Development Update, Nigeria's Tomorrow Must Start Today: The Case for Early Childhood Development*, April 2026. Washington, DC: World Bank.

- World Bank. *Nigeria Poverty & Equity Brief; Macro Poverty Outlook*. Washington, DC: World Bank.
- World Bank. *Food Security Update* 117 (13 June 2025) and 118 (19 September 2025). Washington, DC: World Bank.
- World Bank and GFDRR. *Climate risk and adaptation modelling for Nigeria*. Washington, DC.

Appendix A : Methodological Notes

A.1 Productive employment. Defined as the share of the labour force in work sufficiently remunerative and stable to keep a household above the national poverty line. Operationalisation should combine hours, earnings adequacy relative to the poverty line, and stability, drawn from the NBS Labour Force Survey and the Nigerian Living Standards Survey.

A.2 Employment elasticities, employment bases and reference periods (Tables 6.1– 6.5; Figures 6.1– 6.3, 10.1). The elasticities reported in Figure 6.3 and Table 6.3 are of two kinds, and the figure distinguishes them. The agricultural and manufacturing coefficients are econometrically estimated for Nigeria (Ajakaiye, Jerome, Nabena and Alaba); the remainder are indicative values chosen for consistency with the labour absorption ratios of Table 6.2 and with the sectoral ordering in NESG (2025). Until an official series exists, all should be treated as well-founded orders of magnitude rather than precise coefficients. Nigeria has no routinely published estimate of sectoral employment elasticity, and the Compact commits to commissioning one jointly through the Bureau of Statistics and the Central Bank. The recommended specification is a sector fixed-effects panel, $\ln L_{it} = \alpha + \sum \beta_i D_{it} \cdot \ln Y_{it} + \gamma X_{it} + \delta_i + u_{it}$, with β_i directly interpretable as the sectoral elasticity, controls for real wages, the user cost of capital and inflation, panel unit-root and cointegration testing before estimation, and system GMM or lagged-output instruments to address the endogeneity of output to employment. Coefficients should be published annually alongside the Labour Force Survey and used as the job coefficient in capital-project appraisal

(Section 6.8). Two data caveats attach. First, vintages differ: employment shares are from the 2023 Labour Force Survey, the most recent full sectoral breakdown, and output shares from the 2025 rebased national accounts; the distortion appears small, since agriculture's output share moved only from 27.8 percent in 2024 to 27.55 percent in 2025 and labour shares move more slowly still, but the absorption ratios of Table 6.2 should be recomputed on a single reference year once the next full sectoral employment breakdown is published. Second, the agrifood multiplier of Section 6.7 rests on assumed linkage coefficients σ_{ij} ; sensitivity analysis across the full plausible parameter range holds the multiplier between 1.17 and 2.08 and total agrifood employment at 8 percent growth between 1.42 and 1.68 million, so the policy conclusion is invariant to the choice. A Social Accounting Matrix or input-output table would replace the assumed linkages with measured inter-industry flows, and Nigeria has the underlying survey data to construct one.

A.3 Shift-share decomposition (Chapter 7). The within, between and cross decomposition of aggregate labour-productivity change should be computed on consistent sectoral value-added and employment shares across two comparable survey rounds. The worked example in Section 7.1 uses stylised numbers for illustration only.

A.4 Growth accounting (Chapter 12). The identity assumes constant returns and competitive factor shares; the capital share α should be set to Nigeria's estimated value. The employment identity follows from defining labour productivity as output per worker.

A.5 Shared Prosperity Index (Chapter 13). Normalisation uses min-max scaling to a zero-to-one range; the choice of bounds and weights is a policy decision and should be published alongside the index for transparency and replicability.

A.6 Targets (Tables 9.1, 9.2, 9.3, 13.1, 14.1, B.1). Baselines marked "approx." or "Base = 100" are placeholders pending final calibration

against the most recent NBS releases. Targets are policy choices to be ratified by the Compact partners. The Pillar VIII matching grant is expressed as a share of federally collected VAT so that it is self-scaling and requires no new appropriation instrument.

A.7 Data caveats. NBS multidimensional-poverty figures draw on 2022 survey data released subsequently; World Bank poverty headcounts for 2023–2025 are nowcasts and projections. Gross and net reserves are distinct series and are reported separately in Table 2.1. International wage-employment comparisons (Figure 15.1) rest on definitions that are not strictly comparable across countries and should be read as orders of magnitude. The tax-to-GDP, FX-premium, purchasing-power and financing figures used in Figures 2.3, 2.4, 3.1 and 14.1 are illustrative magnitudes for exposition. Treat single-year point estimates as indicative of direction and magnitude rather than precise levels.

A.8 The agriculture and livestock demonstration (Section 9.5; Tables 9.4 to 9.7; Figures 9.4 to 9.6). Employment figures are generated by applying the agrifood coefficients of Table 6.4 to a stated agricultural growth path and accumulating over five years; they are gross jobs created in the agrifood system, on the convention used throughout Chapter 6, and the 4 per cent baseline row of Table 9.6 is reported so that the incremental gain can be read directly. Table 6.4 models three downstream channels only, namely wholesale and retail trade, food and beverage manufacturing, and transport and storage. Input supply, agricultural finance and insurance, veterinary and breeding services, tanning and leather goods, export and port services, and induced local-economy employment are added at 29 per cent of the modelled core, a proportion taken from the value-chain weights at Appendix H; the on-farm and off-farm split of Figure 9.5 is set by the agrifood multiplier of approximately 1.5 derived at Section 6.7, whose sensitivity range of 1.17 to 2.08 bounds the off-farm share between roughly 40 and 55 per cent. Output figures apply the growth differential against a 4 per cent baseline to an

agrifood share of value added of approximately 37 per cent, comprising agriculture at 27.5 per cent of GDP on the rebased accounts and a sigma-weighted 9 to 10 per cent attributable to trade, food and beverage manufacturing, and transport and storage; gross output is derived at a value-added-to-output ratio of 0.37. The result is a level effect on GDP relative to baseline, not a change in the trend growth rate, and it is a partial-equilibrium calculation: a social accounting matrix or computable general equilibrium model would capture the price, wage and exchange-rate feedbacks omitted here and would be expected to return a smaller figure. External-sector figures are anchored to a 2025 baseline of US\$6.1 billion in formal non-oil exports, of which approximately US\$3.5 billion is agricultural and agro-processed, and a food and beverage import bill of ₦7.65 trillion, approximately US\$5.2 billion; import substitution is capped at a share of that bill, and the external-account contribution is reported gross of the imported inputs that import-substituting production itself requires. All values in Section 9.5 are scenario values conditional on the security assumptions of Pillar VII, and should be replaced by modelled values before official adoption.

Appendix B: Consolidated Targets and the Shared Prosperity Dashboard

This appendix consolidates, for ease of reference, the Compact's measurable targets (from Tables 9.2 and 9.3) and the Shared Prosperity Dashboard (from Table 13.1). Together they constitute the yardstick against which each partner's performance is to be assessed annually.

Table B.1 Consolidated 2030 targets and dashboard indicators.

Domain	Indicator	Baseline (2025)	2030 target
Jobs	Productive-employment rate	≈35%	≥55%
Jobs	Net new productive jobs	–	≈3m per year (≈15m)
Jobs	Wage-employment share	≈17%	≥25%
Productivity	Labour-productivity growth	≈1%/yr	≥3%/yr
Productivity	Agricultural yields (priority crops)	100	+40%

Exports	Non-oil exports (index)	100	≈200
Incomes	Median real household income	100	+25%
Poverty	Poverty headcount	≈63%	< 45%
Poverty	Multidimensional poverty	133m	< 90m
Poverty	MPI in bottom-quintile LGAs	Very high	- 20 percentage points
Finance	MSMEs accessing formal credit	Low	+5m enterprises
Digital	Broadband penetration	≈50.6%	≈90%
Digital	Electricity access	≈60%	≈90%
Skills	Youth digitally credentialed (cumulative)	≈0.5m	≥5m
Skills	ODA-linked jobs placed or incubated	n/a	≥2m
Investment	Capital mobilised into the ODA pipeline	n/a	≥US\$2 bn
Security	Rural Safety Index	Not published	Annual; five corridors cleared

Agriculture	Agro-processing jobs	Low base	1m
Protection	Ultra-poor reached by transfers	Partial	30m
Equity	North–South poverty gap	Wide	Narrowing

Source: Consolidated from Chapters 9 and 13; all targets indicative pending ratification.

Appendix C: Sector Fact Sheets

Table C.1 Priority-sector fact sheets: role, constraint, intervention and lead partner.

Sector	Role in the Compact	Binding constraint	Headline intervention	Lead partner(s)
Agriculture & agro-processing	Jobs, food-cost relief, exports	Finance, storage, security	Value-chain finance; security; storage	States + Federal + Private
Construction & housing	Rapid mass employment	Mortgage finance; land titling	Housing programme; land reform	Federal + States + Private
Light manufacturing	Structural transformation	Power; scale; inputs	Clusters; power; local content	Federal + Private
Tourism & hospitality	Place-based jobs	Security; access; marketing	Security; access; promotion	States + Private
Creative economy	Youth jobs; exports; soft power	IP; finance; distribution	Creative fund; IP enforcement	Federal + Private
Digital services	Tradable graduate jobs	Broadband; power; skills	Infrastructure; the Open Digital Area	Federal + Private + Citizens

Source: Author's synthesis; see Chapter 10.

Agriculture and trade contribute more to employment in Nigeria than construction largely because they are broader, more continuous, more geographically dispersed, and easier to enter. Construction can be highly labour-intensive, but much of its employment is project-based, temporary and dependent on investment cycles.

The comparison is particularly important for Nigeria because construction has considerable potential to become a much stronger job-creation engine.

Table C.2 Why agriculture employs more

Factor	Agriculture	Trade	Construction
Entry barrier	Low	Very low	Low–moderate
Geographic reach	Nationwide, especially rural	Nationwide	Concentrated around projects/urban areas
Continuity of employment	Seasonal but recurring	Relatively continuous	Often temporary/project-based
Capital requirement for self-employment	Low–moderate	Low	Moderate–high
Skills requirement	Low–moderate	Low	Varies considerably
Ability to absorb unskilled labour	Very high	Very high	High
Informal employment	Very high	Very high	High
Dependence on investment/finance	Moderate	Moderate	Very high
Employment multiplier	High	Moderate	Potentially very high
Potential productivity	Moderate	Low–moderate	Moderate–high

Agriculture is Nigeria's largest traditional reservoir of labour. It operates in virtually every part of the country and accommodates farmers, farm workers, livestock producers, fishers, processors, aggregators and others. Most importantly, the capital required to create an additional agricultural livelihood can be substantially lower than that required to initiate a construction project.

Construction employment cannot exist without construction expenditure. Someone must first finance a road, house, factory, school, railway, bridge or commercial building. Agriculture, by contrast, contains millions of small producers who essentially create their own employment.

Why trade employs more

Trade probably illustrates the point even more clearly.

The entry threshold into informal retail trade can be extremely low. A

person with modest working capital can begin buying and selling goods. Construction requires demand for a physical asset and usually significant upfront financing before labour is hired. Nigeria's large population also generates continuous demand for distribution and retail services. Every agricultural or manufactured product ultimately has to move through some form of wholesale or retail network.

Consequently:

Construction has a different employment problem: jobs disappear when projects finish.

A road project may employ thousands of people during construction. Once completed, however, most of those construction jobs end.

This distinguishes construction from retail trade. A shopkeeper may continue operating year after year, whereas construction workers often move from one project to another.

Therefore, construction requires a continuous pipeline of new projects to sustain employment.

Appendix D: Indicator Source Register

Table D.1 Indicator source register.

Indicator	Source	Vintage	Location
Headline inflation, Dec 2024 = 34.80%	NBS CPI Report, December 2024	Jan 2025 release	nigerianstat.gov.ng
Headline inflation, Dec 2025 = 15.15%	NBS CPI Report, December 2025	Jan 2026 release	nigerianstat.gov.ng
Food inflation, Dec 2024 = 39.83%	NBS CPI Report, December 2024	Jan 2025 release	nigerianstat.gov.ng
Food inflation, Dec 2025 = 10.84%	NBS CPI Report, December 2025	Jan 2026 release	nigerianstat.gov.ng
Gross reserves ~ US\$50.11 bn	CBN daily reserves; press reporting	June 2026	cbn.gov.ng
Net reserves US\$34.8 bn, end-2025	CBN statement (Governor Cardoso), reported via Reuters	March 2026	cbn.gov.ng; reuters.com
Poverty headcount 63% (~ 140m)	World Bank Nigeria Development Update	April 2026	worldbank.org
MPI 63% (133m); rural 72%, urban 42%; Ondo 27% – Sokoto 91%	NBS National Multidimensional Poverty Index	2022 release; 2025 update	nigerianstat.gov.ng
MSMEs 96% of firms; ~ 84% of jobs	SMEs Financial Diaries / NBS country data	2024	nigerianstat.gov.ng
Employment elasticities by sector	NESG, From Hustle to Decent Work	2025	nesgroup.org
Formal wage employment ~ 17%	World Bank Nigeria Poverty & Equity Brief	2025	worldbank.org

1.7m graduates entering the labour market yearly	State of the Nigerian Youth Report	2025	nigeria.gov.ng
38% of youth with basic digital skills	NITDA communications, citing NBS	2025	nitda.gov.ng
3MTT programme (skills backbone)	NITDA 3MTT programme	2024–2028	3mtt.nitda.gov.ng
Lagos fastest-growing tech ecosystem, 2025	Dealroom.co, via Lagos State Government	2025	lagosstate.gov.ng
LASRIC funding model (state node)	Lagos State Science Research & Innovation Council	2024–2025	lasric.lagosstate.gov.ng
Kigali Innovation City: US\$2 bn, 61 ha, US\$150m exports, US\$300m FDI	Africa50 project page; Rwanda MINICT	2025	africa50.com; minict.gov.rw
30.6m in high acute food insecurity	World Bank Food Security Update 118	19 Sep 2025	worldbank.org
1.17m in IPC Phase 3, North-East	World Bank Food Security Update 117	13 Jun 2025	worldbank.org
Broadband penetration 48.15% → 50.58%	Nigerian Communications Commission	Apr 2025 → Nov 2025	ncc.gov.ng
Investor-concierge model	Konza Technopolis Development Authority	Ongoing	konza.go.ke
Real GDP growth $\approx$ 4.3% (2026 projection)	PwC Nigeria Economic Outlook 2026	Jan 2026	pwc.com/ng

Source: As listed.

Appendix E: The Open Digital Area: Implementation Roadmap

Table E.1 Phased delivery of the Open Digital Area, 2026 to 2030.

Phase	Period	Deliverables
Phase 0 : Foundation	Q3–Q4 2026	Federal–state memorandum of understanding signed; ODA Trust Fund capitalised with seed funding from federal agencies, development partners and private anchor tenants; deal-flow platform procured; 3MTT - Compact priority sectors.
Phase 1: Six zonal nodes	2027	Six hubs operational (Lagos, Abuja, Kano, Port Harcourt, Enugu, Maiduguri); first 500,000 young Nigerians credentialed; first 200 innovations listed in the pipeline; first tranche of investor capital mobilised.
Phase 2: State nodes and scale	2028–2029	Eighteen state nodes operational; three million cumulative credentialed; 1,000 active innovations; approximately one billion dollars of cumulative capital; one million ODA-linked jobs.
Phase 3 : Convergence	2030	Five million credentialed; 2,000 active innovations; two billion dollars cumulative capital; two million ODA-linked jobs; the ODA panel fully embedded in the Shared Prosperity Dashboard.

Source: Author's construction; the seed capitalisation figure and phase targets are indicative and to be sized in the financing plan.

Appendix F: Delivery Architecture and the First Twenty-Four Months

The Compact's credibility rests on what is done in its first two years. This appendix converts the sequencing argument of Section 16.1 into a schedule against which the Compact Delivery Authority (Section 16.4) can be held.

Table F.1 The first twenty-four months: actions, owners and verification.

Period	Action	Owner	Verification
Months 1–6	Establish the Compact Delivery Authority; publish the target register and baseline every indicator in Table B.1	Presidency; NBS	Baseline report published
Months 1–6	Sign the first tranche of State Agricultural Transformation Compacts (Pillar VIII)	Federal; State Governors	Signed compacts published
Months 1–6	Designate the five priority agricultural corridors (Pillar VII)	Federal; States	Corridors gazetted
Months 4–12	Design and first publication of the Rural Safety Index	NBS	Index published at LGA level
Months 4–12	ODA Phase 0: MOU, trust fund, platform procurement, curriculum revision	Federal; NITDA; private anchors	Fund capitalised; platform live

Months 6–18	Front-loaded job-rich programmes: storage, feeder roads, housing starts	States; Federal; private	Jobs reported quarterly
Months 6–18	Stand up the Labour-Market Information System (Section 13.4)	NBS	First quarterly LGA release
Months 12–24	ODA Phase 1: six zonal hubs operational	Federal; States; private	Hubs open; enrolments reported
Months 12–24	First matching-grant disbursements against verified state outputs	Federal; Delivery Authority	Verified output report
Months 12–24	First annual Shared Prosperity Dashboard and partner scorecards	Delivery Authority; NES	Published before the Annual Conference
Months 18–24	Publish the tax-benefit incidence analysis (Section 14.5)	Federal; NES	Analysis published

Source: Author's construction.

Appendix G: The Delivery Matrix: Who Does What, and When

This appendix is the operational heart of the Compact. It states, for each workstream and each phase, what is asked of each of the four partners. Nothing in it is new policy: every cell is the practical expression of a commitment made in Chapters 9 to 16.

Three conventions apply. First, the phases are sequenced so that the fast-acting, visible commitments come first, in line with Section 16.1. Second, obligations are *reciprocal*: within any row, no partner's commitment is achievable unless the others in that row deliver theirs, which is why the rows should be read across before they are read down. Third, each phase closes with the verification that releases the next: the Compact Delivery Authority (Section 16.4) confirms delivery against the target register before the following phase's money moves.

G.1 Phase 1: Foundations (2026–27)

The task of the first phase is to build the machinery, sign the commitments, and put visible jobs on the ground quickly enough to earn the public's patience for the slower work behind them.

Table G.1 Phase 1: Foundations (2026–27): commitments by partner.

Workstream	Federal Government	State Governments	Private Sector	Labour and Citizens
Macroeconomic and fiscal foundation	Sustain monetary and fiscal discipline; publish the financing rule; ring-fence the Compact's share of tax-reform revenue	Publish own-revenue and capital-spending plans; accept the matching-grant conditions	Plan investment against the published rule; help design the blended-finance instruments	Enter the Compact's social dialogue; agree the productivity-linked wage framework
Pillar I: Employment-intensive sectors	Tilt procurement, tax incentives and trade policy to the six priority sectors; designate industrial clusters	Assemble land; establish one-stop permitting; apply local content in state contracts	Commit published hiring targets in agro-processing, construction and the creative economy	Co-design apprenticeship and trade standards with employers
Pillar II: SMEs and informality	Stand up the movable-collateral registry and credit-guarantee scheme; make formalisation an on-ramp	Single business-registration desk; power and market infrastructure for clusters	Banks and fintechs to lend against transaction data; anchor firms to onboard suppliers	Register enterprises; adopt digital payments and record-keeping
Pillar III: Skills and the Open Digital Area	Sign the federal-state memorandum; capitalise the ODA trust fund; procure the platform; 3MTT curricula	Provide land and host-state co-funding; integrate state skills boards	Take anchor tenancy; contribute curriculum; offer internships and placements	Enrol in courses; complete credentials; join or form ventures
Pillars VII and VII: Security and agriculture	Gazette the five priority corridors; establish the reinsurance window; fund the matching grant	Sign five-year agricultural compacts; begin land titling; deploy extension officers	Invest in storage and cold chain; underwrite corridor insurance alongside the federal backstop	Participate in the protection corps, cooperatives and extension networks
Measurement and accountability	Establish the Compact Delivery Authority; baseline every indicator; commission the LMIS and Rural Safety Index	Publish a state scorecard against named deliverables	Report jobs, investment and training data on a common template	The Society and civil society conduct the first independent annual review

Source: Chapters 9, 13, 14 and 16; sequencing per Section 16.1 and Appendix F.

G.2 Phase 2: Scale-up (2028–29)

The second phase converts machinery into volume. Money now moves against verified output rather than against promises, and the private sector takes over functions the state carried out at the outset.

Table G.2 Phase 2: Scale-up (2028–29): commitments by partner.

Workstream	Federal Government	State Governments	Private Sector	Labour and Citizens
Macroeconomic and fiscal foundation	Disburse matching grants against verified output; hold the financing rule through the electoral cycle	Meet co-funding obligations; absorb and account for grant disbursements	Scale investment as the policy record lengthens; syndicate blended-finance vehicles	Sustain the wage-productivity framework; hold partners to published commitments
Pillar I: Employment-intensive sectors	Bring cluster power and logistics into service; open non-oil export facilitation under AfCFTA	Deliver feeder roads, storage and serviced industrial land	Commit cluster investment; deepen local value addition; enter export markets	Move into wage employment as it expands; complete sectoral training
Pillar II: SMEs and informality	Extend guarantees and digital lending to five million enterprises	Deliver distributed power and mini-grids to enterprise clusters	Lend at scale on transaction data; embed suppliers in formal value chains	Formalise; adopt productivity tools and quality standards
Pillar III: Skills and the Open Digital Area	Open eighteen state nodes; expand the pipeline to a thousand active ventures	Absorb ODA-trained young people into state digital projects	Hire through the matching engine; co-invest in the pipeline	Three million cumulative credentialled; ventures formed and funded
Pillars VII and VIII: Security and agriculture	Clear and hold the corridors; publish the Rural Safety Index annually	Convert reclaimed land to production within twelve months; extension at scale	Assume corridor underwriting as the federal reinsurance is withdrawn	Farm the reclaimed corridors; take up crop and asset insurance
Measurement and accountability	Publish the annual dashboard and each partner’s scorecard without clearance	Report quarterly against named deliverables at LGA level	Publish jobs and investment outturn against commitments	Independent annual review; public scrutiny of the scorecards

Source: Chapters 9, 13, 14 and 16; sequencing per Section 16.1 and Appendix F.

G.3 Phase 3: Consolidation (2030)

The third phase is about permanence: meeting targets, retiring temporary instruments, and leaving behind institutions that outlast the administration that built them.

Table G.3 Phase 3: Consolidation (2030): commitments by partner.

Workstream	Federal Government	State Governments	Private Sector	Labour and Citizens
Macroeconomic and fiscal foundation	Publish the tax-benefit incidence analysis; embed the Compact in the medium-term fiscal framework	Sustain delivery from own revenue as federal transition support tapers	Carry the largest share of productive investment without public subsidy	Hold the framework through the political transition
Pillar I: Employment-intensive sectors	Non-oil export index at roughly double the 2025 base	Priority sectors self-sustaining in the states that led them	Three million productive jobs a year across the priority sectors	Wage employment at or above 25 percent of workers
Pillar II: SMEs and informality	Five million additional MSMEs in formal credit	Enterprise infrastructure maintained from state budgets	Commercial lending to small firms without guarantee support	Median real household income up 25 percent in real terms
Pillar III: Skills and the Open Digital Area	ODA panel embedded permanently in the national dashboard	State nodes funded and governed as standing institutions	Two thousand active ventures; US\$2 bn cumulative capital mobilised	Five million credentialled; two million ODA-linked jobs
Pillars VII and VIII: Security and agriculture	Rural Safety Index a permanent NBS series; corridors secure	Yields up 40 percent on the priority crops; agro-processing zones running	One million jobs in processing and logistics; insurance fully commercial	Rural incomes and food security materially improved
Measurement and accountability	Poverty headcount below 45 percent; multidimensional poverty below 90 million	Bottom-quintile LGAs down 20 percentage points on the MPI	Reporting on the common template as standard practice	The dashboard, not GDP alone, is how the nation judges its economy

Source: Chapters 9, 13, 14 and 16; targets consolidated at Appendix B.

A note on reading the matrix. The rows are commitments, not aspirations, and the columns are owners, not audiences. Where a cell is empty in practice, where a partner has not done what the row required, the Compact does not proceed to the next phase on that workstream. That is the discipline the covenant is for.

Appendix H: The Federal–State Agriculture and Livestock Compact

This appendix supplies the operating detail behind the demonstration at Section 9.5: the division of labour between the tiers of government, an illustrative allocation of value chains to production clusters, the commodity baskets, the performance-based financing formula, the implementation architecture and the sector dashboard.

H.1 The Division of Labour

The governing principle is short enough to be quoted in a communiqué. The Federal Government enables; the states execute and compete on verified results; the private sector invests and operates; farmers and micro, small and medium enterprises produce and supply; and continued public support is determined by performance.

Table H.1 Federal, state and private responsibilities under the Compact.

Federal Government	State Governments	Joint and private-sector interface
National strategy, trade and tariff policy	Select three to five commercially viable value chains	Annual production, jobs and export targets
Research, seed systems and standards architecture	Land access and cluster development	Input and mechanisation partnerships
Interstate highways, rail, ports and export corridors	Feeder roads and local market infrastructure	Aggregation centres and logistics
National agricultural finance and guarantee framework	State counterpart funding and project preparation	Commercial lending, equity and insurance
Sanitary and phytosanitary systems, export certification and market diplomacy	Extension services and farmer registration	Traceability and quality systems
National digital architecture and data standards	Validation of farms, output and beneficiaries	Digital payments and market platforms
Performance grants to states	Security around production and market clusters	Independent monitoring and verification
Export promotion and AfCFTA market development	Investor facilitation and permits	Processing, wholesale and export investment

Source: Author's construction. The federal column is deliberately confined to national public goods; no line commits the Federal Government to managing production.

H.2 Illustrative Production Clusters

A national compact should not prescribe the same commodities to every state. Each state should select a limited number of commercially viable crop and livestock chains on the basis of agro-ecology, existing capability, market access and processing potential. The allocation below is illustrative and is offered to show the shape of a national portfolio; it must be validated by state-level commercial and agro-ecological analysis before adoption.

Table H.2 Illustrative allocation of value chains to production clusters.

Cluster	Crop value chains	Livestock and fisheries	Potential downstream industries
Kano and Jigawa	Rice, tomato, sesame, wheat	Cattle, dairy, poultry	Rice milling, tomato paste, sesame cleaning and oil, dairy, meat, leather
Kaduna	Maize, ginger, tomato, soybean	Poultry, dairy, cattle	Feed mills, ginger processing, tomato, dairy, meat
Kebbi and Sokoto	Rice, wheat, onion	Cattle, sheep and goats, dairy	Milling, meat processing, dairy, hides and skins
Niger	Rice, maize, soybean, sugarcane	Cattle, poultry, fisheries	Milling, feed, edible oil, meat and fish processing
Benue	Yam, cassava, soybean, fruit	Poultry, pigs, fisheries	Starch, flour, feed, fruit processing, meat and fish
Plateau	Potato, vegetables, horticulture	Dairy, poultry	Cold chain, potato and vegetable processing, dairy
Cross River	Cocoa, cassava, oil palm	Poultry, fisheries	Cocoa processing, starch, edible oil, fish processing
Ondo and Ekiti	Cocoa, oil palm, cassava	Poultry, small ruminants	Cocoa butter and powder, edible oil, feed
Oyo and Ogun	Cassava, maize, horticulture	Poultry, pigs, dairy	Starch, feed, food processing, dairy, meat
Edo and Delta	Oil palm, rubber, cassava	Poultry, fisheries	Edible oil, rubber products, starch, fish processing
Rivers, Bayelsa and Akwa Ibom	Oil palm, cassava, horticulture	Fisheries, aquaculture, poultry	Fish cold chain and processing, edible oil, food processing
Borno, Yobe, Bauchi and Gombe	Millet, sorghum, sesame, cowpea	Cattle, sheep and goats, poultry	Grain processing, sesame, meat, hides and skins, feed

Source: Author's construction. Illustrative only; allocation must follow commercial and agro-ecological validation and the states' own selection under H.1.

H.3 Strategic Commodity Baskets

Table H.3 Commodity baskets by policy objective.

Objective	Illustrative priority value chains	Purpose
Food security and inflation	Rice, maize, wheat, cassava, beans, tomato, vegetables, poultry, fish	Raise domestic supply and moderate food prices
Industrial raw materials	Cotton, cassava and starch, oil palm, maize, soybean, sugar, hides and skins	Supply domestic manufacturers and reduce imported inputs
Exports and foreign exchange	Cocoa, cashew, sesame, ginger, hibiscus, shea, rubber, horticulture and processed foods	Generate non-oil foreign exchange and diversify the export base

Source: Author's construction.

H.4 The Performance-Based Financing Formula

Agricultural support should not be allocated principally by administrative formula. A state should receive matching finance against credible counterpart funding, and should qualify for larger subsequent allocations only when independently verified milestones are achieved. The scorecard below allocates the performance tranche of the Pillar VIII matching grant.

Table H.4 Performance scorecard for the Pillar VIII matching grant.

Weight	Verified result
20%	Additional marketed agricultural output and measured yield improvement
20%	Net new jobs, with youth and women measured separately
15%	Private investment mobilised
15%	Processing and value-addition capacity brought into operation
10%	Reduction in post-harvest losses
10%	Incremental exports and verified import substitution
5%	Hectares under reliable irrigation or climate-resilient production
5%	Compliance with quality, traceability, data and environmental safeguards

Source: Author's construction. Weights are policy choices to be ratified by Compact partners. Marketed output is weighted above production because commercialisation, not cultivation, creates the downstream employment of Table 9.4.

H.5 Implementation Architecture

- * Each state signs a five-year compact covering three to five value chains selected by agro-ecological advantage and commercial viability.
- * Every value chain has a named anchor market before public money is committed: a domestic processor, an institutional buyer, a regional or AfCFTA market, or a global exporter.
- * States prepare bankable cluster plans covering land, water, feeder roads, security, extension, aggregation and investor facilitation.
- * The Federal Government funds national public goods and performance grants, and does not attempt to manage production centrally.

- * Private firms lead processing, warehousing, logistics, wholesale distribution and export under transparent commercial arrangements.
- * Agricultural finance is tied to offtake arrangements, insurance and verifiable production data wherever these exist.
- * An independent results unit publishes quarterly dashboards covering production, jobs, private investment, processing, wholesale volumes, exports and import substitution.
- * Federal performance funding is raised, held or reduced according to independently verified outcomes, and the reduction must be as real as the increase.

H.6 The Agriculture and Livestock Dashboard

The dashboard below is the sector panel of the Shared Prosperity Dashboard at Table 13.1, and is published on the same quarterly cycle. The first two indicators are prerequisites rather than outcomes: without a livestock register and a marketed-output series, none of the remaining lines can be verified.

Table H.5 The agriculture and livestock dashboard.

Indicator	What is measured	Why it matters
Livestock register	Animals registered and identified, by species and state	The sector's principal asset is currently uncountable to within a factor of two
Marketed output	Tonnes sold into organised commercial channels	Measures commercialisation rather than hectares, and drives the downstream employment of Table 9.4
Jobs	Net new direct, indirect and induced jobs by value-chain segment	Makes employment an explicit output rather than a hoped-for by-product
Wholesale trade	Volume and value handled through aggregation and wholesale markets	Captures the commerce multiplier
Processing	Installed and utilised processing capacity	Utilisation, not installation, is the measure of domestic value addition
Private investment	New private capital committed and operational	Tests whether the programme is commercially self-sustaining
Exports	Incremental agricultural and agro-processed exports, in US dollars	Measures foreign-exchange generation
Import substitution	Verified reduction in competitive imports, against customs data	Measures foreign-exchange saving; must be verified, not asserted
Post-harvest losses	Loss rates by commodity and cluster	The cheapest available source of additional marketed supply
Food prices	Commodity price levels and volatility in major markets	Links production to household welfare and to inflation
State performance	Composite score against compact targets	The basis for the performance grant at Table H.4

Source: Author's construction. Indicators map to the Shared Prosperity Dashboard at Table 13.1 and to the source register at Appendix D.

Glossary of Key Terms

AfCFTA. The African Continental Free Trade Area, the continental trade regime under which the Compact's non-oil export strategy is pursued.

Compact Delivery Authority. The small delivery unit proposed at Section 16.4, holding the target register, running quarterly stocktakes, operating the verification triggers and publishing the scorecards.

Employment elasticity of growth (ϵ). The percentage change in employment associated with a one-per-cent change in output. High values indicate job-rich growth; values near zero indicate jobless growth.

Growth accounting. A decomposition of output growth into the contributions of total factor productivity, capital and labour.

Informal economy. Economic activity outside formal registration, taxation and regulation; in Nigeria it accounts for the majority of employment.

IPC Phase 3 (Crisis). A classification of the Integrated Food Security Phase Classification denoting acute food insecurity in which households face significant food consumption gaps or can meet minimum needs only by depleting essential assets.

Jobless growth. An expansion of output that generates little or no additional employment, typically because it is concentrated in capital- or resource-intensive sectors.

Just transition. The management of a shift away from a carbon-intensive economic base in a way that protects the incomes, skills and communities built around it (Section 10.8).

Labour-Market Information System (LMIS). The proposed quarterly, local-government-level system of vacancy and wage data described at Section 13.4.

Multidimensional poverty. Poverty measured across several dimensions, health, education, and living standards, rather than income alone.

Open Digital Area (ODA). The national network of physical and digital nodes, described in Section 9.3, through which the skills pillar and the innovation pipeline are delivered.

Premature deindustrialisation. A shift out of agriculture into services without a substantial manufacturing phase, forgoing the sector historically most able to absorb labour at rising productivity.

Productive employment. Work sufficiently remunerative and stable to keep a household above the poverty line; the true target of a jobs strategy.

Real household income. Nominal household income adjusted for the price level; it rises only when incomes outpace inflation.

Rural Safety Index. The annual, local-government-level index of insecurity, crop loss and enterprise disruption proposed under Pillar VII, and the release condition for the Pillar VIII matching grants.

SAPZ. Special Agro-Industrial Processing Zones, the existing programme on which the agro-processing commitments of Pillar VIII are anchored.

Shared Prosperity Index (SPI). A weighted average of normalised indicators of jobs, incomes, poverty, productivity, exports and regional equity, used to track progress beyond GDP.

Shift-share decomposition. A method separating changes in aggregate productivity into within-sector gains, between-sector (structural) change, and a cross term.

Structural transformation. The movement of labour and capital from low-productivity to high-productivity sectors; the classical engine of rising living standards.

WAIFEM. West African Institute for Financial and Economic Management

3MTT. The Three Million Technical Talent programme, which becomes the skills backbone of the Open Digital Area.



Dr. Baba Y. Musa

President and Chairman, Governing Council
Nigerian Economic Society (NES)

Abridged Profile

An internationally regarded economist and a leading authority on sovereign debt management, Dr. Musa brings more than three and a half decades of transformative service across Africa. He is the Current President & Chairman Governing Council of The Nigerian Economic Society (NES). He is also the Director-General of WAIFEM, the capacity-Development Institute of five West African Central Banks (The Gambia, Ghana, Liberia, Nigeria & Sierra Leone), he has shaped a bold agenda for economic transformation, institutional resilience, and regional integration.

LEADERSHIP AT WAIFEM

He directs strategic programming that has trained thousands of senior officials from central banks, finance ministries, planning commissions, and debt management offices in macroeconomic analysis, debt sustainability, fiscal governance, and monetary policy, building the Institute into a pan-African centre of excellence. He earlier served as Director of Fiscal Policy, Debt Management & Regional Integration (2011–2018), following a distinguished career of more than two decades at the Central Bank of Nigeria.

SOVEREIGN DEBT & PUBLIC FINANCE

Over the years, Dr. Musa has led numerous Medium-Term Debt Strategies, Debt Sustainability Analyses, and Debt Management Performance Assessments for many countries, including Nigeria, Ghana, Sierra Leone, The Gambia, Liberia, the Republic of Guinea and Sudan. A trusted adviser to many Nigerian state (sub-national) governments, he has championed

fiscal-responsibility frameworks for Nigeria's 36 states and the FCT and led the review and reform of public-debt management laws across West Africa. His work further spans debt portfolio analysis, loan negotiation and rescheduling, and sovereign debt restructuring with creditor groups such as the Paris and London Clubs.

GLOBAL ENGAGEMENT & ADVISORY

A respected voice in international economic circles, he is regularly engaged by the World Bank, IMF, AfDB, the African Union, ECOWAS, the Commonwealth Secretariat, UNCTAD, UNITAR, Development Finance International (DFI), the IISD and the African Legal Support Facility, leading high-level technical-assistance and policy-advisory missions that help countries build durable foundations for fiscal stability, debt transparency, and financial-sector resilience. He has also mobilised millions of dollars in grant and partnership support for capacity development across the sub-region. He Contributed to the UN Principles on Responsible Sovereign Borrowing & Lending (2014).

SCHOLARSHIP & AUTHORSHIP

A respected scholar and thought leader, Dr. Musa has authored 9 books and over 28 journal articles, alongside numerous technical papers and policy presentations delivered across four continents. His landmark works include *Understanding Sovereign Debt: Options and Opportunities for Africa* (ALSF/AfDB) and *Economic Impacts and Challenges of COVID-19* (WAIFEM, 2022). In 2024, his legacy was honoured with the compendium *Dynamics of Public Debt Management and Economic Development in Africa*, contributed by leading economists and practitioners from across the continent.

Index

A

- Accountability 8, 13, 110-111, 118, 125, 129, 151, 152, 160
- Adjustment, human dimension of 25-28
 - household squeeze 26
 - business squeeze 27
 - social protection floor 65
- Africa 79, 131, 146
- African Continental Free Trade Area (AfCFTA) 65, 156, 160, 163
- African Development Bank (AfDB) 167-168
- African Union (AU) 168
- Agriculture and agro-processing 7, 22, 36, 44-47, 67-69, 74-91, 93-94, 96, 100, 105, 121, 129, 142, 143-144, 155-162
 - employment coefficients 7, 47, 64
 - federal matching grant 7, 67, 68, 89-90, 115-116, 159-160
 - livestock 79-81
 - state-led transformation 67-69, 74, 89-90, 121, 129
 - value chains 77-79, 157-158
 - yield targets 68, 73, 74
- Agricultural compacts 7, 67-69, 90, 148, 155-162
- Agrifood system 44-47, 76-91, 136, 138
 - employment multiplier 44, 84
 - value chain segments 77-78
- Agro-processing zones 68, 75
- Ajakaiye, O. 42, 131, 135
- Alaba, O.A. 42, 131, 135
- Annual Conference, NES 67th 3, 110
- Appropriation, 2026 45, 90
- Artificial Intelligence 1-2, 7, 13, 72, 101-105
 - occupational transition 7, 102-103
 - productivity effects 101-103

B

- Baba Y. Musa, PhD, xiv, 3, 14; profile of, 165-168
- Balance of payments 7, 88, 89

Banking 78, 151
 Bayelsa State 158
 Benue State 158
 Beyond GDP 60, 107-111
 Borno State 158
 Broadband penetration 22, 73, 95, 103-104, 123, 140, 146
 Businesses, squeeze on 27

C

Capital budget 6, 43, 45-48, 50
 Cassava 68, 78, 158, 159
 Central Bank of Nigeria (CBN) 13, 14, 22, 48, 131, 135, 145, 167
 Central challenge 12, 29-30
 Children, multidimensional poverty 22, 32, 57
 Citizens, role in Compact 1, 2, 63, 72, 129, 151, 152
 Climate resilience 96, 97-98
 Climate technology 69, 98
 Co-funding 72, 151
 Commonwealth Secretariat 168
 Community Protection Corps, 67
 Compact Delivery Authority 8, 14, 124, 125, 127, 128, 148, 149, 150, 151, 152, 163
 Compact, Jobs and Production 1, 2, 6, 13, 63-90, 129-130
 Composition of growth 2, 6, 13, 30, 41, 48, 50, 52
 Construction 36, 42, 43, 47, 64, 94, 96, 116, 123, 142, 143, 144
 Consumer Price Index (CPI) 18, 22, 26, 27, 31, 145
 Coordination 63, 124, 125-127
 Corridors, agricultural 67, 74, 89, 148, 151
 Côte d'Ivoire 87
 Creative economy 47, 69, 95, 96, 123, 142
 Cross River State 158

D

Dairy 77, 78, 79, 80, 81, 88, 158
 Dashboard, Shared Prosperity 8, 60, 71, 88, 97, 107-111, 139-141, 147, 149, 161-162
 Data centres 7, 96, 103-104
 Debt constraint 115-116
 Debt management 167-168
 Deindustrialisation, premature 59-60, 164
 Delivery architecture 8, 46, 125-127, 148-154
 Delivery Authority (see Compact Delivery Authority)

Delivery Matrix 8, 46, 125-127, 150-154
 Delta State 158
 Demographics 48-53, 70
 Development Finance International (DFI) 168
 Diagnosis 2, 13, 55-58
 Diaspora Investment Compact 116-117
 Digital economy 2, 95-96, 101-105
 Digital infrastructure 95-96, 103-104, 121, 140
 Digital services 95-96
 Digital skills 53, 57, 70, 105, 140, 146
 Digital technology 1, 7, 13, 100, 101-105
 Disinflation 26, 30
 Distributional impact 117-118

E

Early childhood development 57, 65
 ECOWAS 168
 Edo State 158
 Education 36, 69, 110
 Efficiency savings 8, 113, 115
 Ekiti State 158
 Electricity 7, 73, 95, 99, 103-104, 140
 Employment

- formal wage 6, 22, 35, 49, 65, 70
- informal 6, 49, 99-100
- productive 6, 29, 35-36, 53, 73, 74, 108, 110, 139, 164
- sectoral distribution 35-38
- youth 1, 48-53, 69-72

 Employment elasticities 39-48, 127, 135-136, 163

- national 41, 42, 43, 47, 48
- sectoral 42-43, 64

 Employment-intensive sectors 2, 6, 64, 74, 93-98, 151

- agriculture and agro-processing 94
- construction 94
- creative economy 95
- digital services 95-96
- light manufacturing 94-95
- tourism and hospitality 95

 Enugu 70, 147
 Evidence base 14-15, 21-22, 127, 135-138

Export paradox 38-39, 86
 Exports, non-oil 65, 73, 86, 87, 89, 94, 110, 121, 140, 161
 Extension services 1, 65, 67, 68, 75, 77, 100, 151, 156, 160
 External reserves 5, 18-19, 21, 22, 23, 137

F

Federal Government 1, 2, 52, 63, 67, 68, 69, 70, 72, 125, 151, 155, 156, 160
 Federal Ministry of Livestock Development 75, 79-80, 81
 Federal-State relations 1, 2, 7, 67-68, 74, 94, 124, 125, 155-162
 Figures, treatment of 14-15
 Financing 8, 113-118
 crowded-in private capital 113, 115
 revenue gains 113, 115
 subsidy reallocation 113, 115
 rule 115-116
 scenario 115
 Food inflation 5, 18, 22, 26, 145
 Food prices 5, 26, 27, 40, 94, 129, 159, 162
 Food security 7, 22, 57, 66, 96, 146
 Foreign exchange 20-21, 25, 46, 71, 72, 86-88, 113, 117
 Formalisation 65, 99-100, 151
 Future of work 105

G

GDP (Gross Domestic Product) 2, 8, 13, 20, 22, 37-38, 60, 85-86, 89, 107, 136, 137-138
 Gender 118, 160
 Geography of deprivation 32, 57
 Global Facility for Disaster Reduction and Recovery (GFDRR) 97, 133
 Glossary 8, 163-164
 Gombe State 158
 Governance 110-111, 117, 124
 Graduates 22, 51, 53, 70, 95, 105, 146
 Growth accounting 101-102, 136, 163
 Growth, jobless 39-41, 59-60, 163

H

Headline inflation 5, 18, 22, 26, 31, 145
 Health 36, 69, 70, 79, 81, 110

Housing 94, 96, 142, 149
 Households
 adjustment costs 26-27
 real incomes 1, 2, 29, 73, 110
 Human capital 6, 57, 65, 74, 120, 121

I

Implementation 13, 126-127, 147, 148-154, 160-161
 Import substitution 81, 87-88, 89, 138, 160, 161, 162
 India 72, 121
 Indicator Source Register 15, 145-146
 Industrial clusters 95, 96, 121, 151
 Industrial policy 65, 74, 120, 151
 Inequality 33, 57, 66
 Inflation 5, 12, 18, 22, 26, 29, 31-32, 107, 124, 145, 164
 Informal economy 6, 13, 65, 99-100, 151, 163
 Infrastructure 1, 2, 7, 66, 95-96, 103-104, 121, 123, 156
 Innovation districts 72, 121
 Input subsidies 68
 Insurance 67, 78, 82, 116, 137, 156, 161
 International Labour Organization (ILO) 119, 131
 International lessons 13, 72, 119-122
 Investment, private 21, 64, 113, 115, 160, 161, 162
 Investor confidence 5, 12, 21
 Investor concierge 71, 72, 117, 121, 146
 IPC Phase 3 (Crisis) 57, 66, 146, 163
 Irrigation 77, 97, 160

J

Jerome, A.T. 42, 131, 135
 Job creation 41-48, 49-53, 73, 82-84, 89
 Jobless growth 39-41, 59-60, 163
 Jobs and Production Compact 1, 2, 6, 13, 63-90, 129-130
 eight pillars 64-69
 financing 113-118
 international lessons 119-122
 targets 72-74
 Jigawa State 158
 Just transition 96-97, 163

K

Kaduna State 158
 Kampala Declaration 45, 90
 Kano 70, 147, 158
 Kebbi State 158
 Kenya 72, 87
 Kigali Innovation City 72, 121, 131, 132, 146
 Konza Technopolis 72, 121, 131, 146

L

Labour absorption ratio 37-38, 39, 42, 135, 136
 Labour force 35-36, 40-41, 48-53
 Labour Market Information System (LMIS) 8, 14, 103, 111, 149, 151, 163
 Labour productivity 55-56, 73, 110, 139
 Lagos 70, 72, 76, 146, 147
 Land titling 68, 94, 142, 151
 Lewis, W.A. 59, 131
 Light manufacturing 43, 47, 64, 94-95, 96, 121, 142
 Limitations 127-128
 Livestock 7, 57, 74-91, 155-162
 Dashboard 161-162
 Federal Ministry of Livestock Development 75, 79-80, 81
 National Livestock Transformation Plan 75
 Value chains 81
 Living costs 1, 29, 129
 Living standards 1, 23, 25, 59

M

Macroeconomic stabilisation 1, 2-3, 5-6, 11, 12, 14, 17-23, 25, 129
 Malabo Declaration 45, 90
 Manufacturing 6, 7, 36, 38, 43, 44, 45, 47, 57, 64, 70, 76, 94-95, 96, 105, 116, 120, 123, 135, 142
 Maputo Declaration 45, 90
 Matching grants 7, 8, 63, 68, 89, 115-116, 124, 125, 128, 137, 149, 151, 159-160, 164
 McMillan, M. 131
 Measurement 2, 13, 15, 107-111, 139-141, 145-146, 151
 Method 14-15
 Methodological Notes 15, 135-138

Micro, Small and Medium Enterprises (MSMEs) 6, 13, 22, 25, 47, 65, 67, 71, 73, 74, 99-100, 105, 140, 145, 151
 Monetary policy 5, 11, 18, 124
 Multidimensional poverty 22, 32, 57, 60, 74, 110, 137, 140, 145, 163

N

Nabena, D. 42, 131, 135
 National Bureau of Statistics (NBS) 13, 14, 22, 27, 35-36, 37, 49, 66, 67, 87, 93, 111, 127, 132, 135, 137, 145, 146, 148
 National Livestock Transformation Plan 75
 Niger Delta 96-97
 Niger State 158
 Nigeria Labour Force Survey 22, 36, 37, 49, 56, 66, 93, 132, 135, 136
 Nigerian Economic Society (NES) 1, 3, 14, 110, 124, 149, 151, 165
 Nigerian Economic Summit Group (NESG) 14, 60, 93, 132, 135, 145
 Nigerian Export Promotion Council (NEPC) 75, 87
 Non-oil exports 65, 73, 86, 87, 89, 110, 121, 138, 140, 159
 North, the 32, 57, 66, 74, 110
 North-East Nigeria 57, 66, 146
 North-West Nigeria 57, 66

O

Objectives, four 29
 Occupational transition 2, 7, 102-103
 Oil and gas 6, 22, 36, 38, 43, 57, 64, 86, 96-97
 Oil-producing communities 96-97
 Ondo State 22, 145, 158
 One State One Product 75
 Open Digital Area (ODA) 2, 7, 8, 14, 47, 53, 63, 65, 69-72, 74, 75, 96, 98, 105, 110, 111, 117, 121, 125, 129, 140, 142, 147, 148, 149, 151, 164
 components 70-71
 implementation roadmap 147
 targets 71, 74, 140
 Output, distribution of 37-38
 Oyo State 158

P

Performance-based financing 159-160
 Petroleum Industry Act (2021) 97, 131

Petrol subsidy reform 1, 5, 11, 26
 Phased employment sequence 46-48, 49-51, 123, 126-127
 Pillars of the Compact 64-69
 Plateau State 158
 Political economy 14, 124, 128
 Port Harcourt 70, 147
 Poverty 6, 12, 13, 22, 29, 31-33, 35, 40, 50, 57, 60, 65, 68, 73, 74, 110, 127, 137, 140, 141, 145, 163, 164
 Premature deindustrialisation 59-60, 164
 Private sector 1, 2, 63, 69, 72, 125, 151, 155
 Productive employment 6, 29, 35-36, 53, 73, 74, 108, 110, 139, 164
 definition 35
 rate 35, 108, 110, 139
 Productivity 1, 7, 13, 29, 55-56, 65, 73, 100, 101-103, 105, 110, 120, 139, 143
 Prosperity paradox 31-33, 107
 Provisional figures 127
 Public financial management 8, 113, 115
 PwC 22, 132, 146

R

Real household income 1, 2, 3, 5, 7, 12, 14, 23, 25, 27, 29, 57, 73, 107, 110, 140, 164
 Real wages 135
 Reform continuity 124
 Reforms, recent 1, 5, 11-12, 17-23, 25
 foreign exchange 20-21
 monetary 18
 revenue 19-20
 tax 1, 19-20, 99-100, 113
 Regional strategy 66, 74
 Remittances 116-117
 Reserves (see External reserves)
 Revenue mobilisation 5, 19-20, 113
 Risks 123-124, 127-128
 Rivers State 158
 Rodrik, D. 131, 132
 Rural areas 32, 45, 57, 66, 68, 79, 145
 Rural Safety Index 8, 14, 67, 68, 74, 110, 111, 124, 140, 148, 151, 164
 Rwanda 67, 72, 121-122, 132

S

- Sacrifice, of Nigerians 28, 57, 65, 129
- Sector fact sheets 8, 142-144
- Security 1, 7, 32, 52, 57, 60, 66-69, 74, 90, 94, 95, 96, 121, 124, 129, 140, 142, 151, 156
- Security-Production Compact 67
- Sen, A. 132
- Sequencing 46-48, 123, 126-127, 148-154
- Shared Prosperity Dashboard (see Dashboard)
- Shared Prosperity Index (SPI) 108-110, 136, 164
- Shift-share decomposition 55-56, 59, 136, 164
- Sierra Leone 165, 167
- Skills 2, 6, 7, 53, 57, 65, 70-71, 74, 95, 96, 97, 105, 111, 116, 120, 121, 123, 140, 146, 151
- Social protection 6, 27-28, 57, 65, 74, 75, 103, 113, 141
- Sokoto State 22, 145, 158
- Sovereign debt 167-168
- Spatial inequality 32, 57, 60, 66, 110
- Special Agro-Industrial Processing Zones (SAPZ) 68, 75, 164
- Stabilisation 1, 2-3, 5, 11, 12, 14, 17-23, 25, 129
 - cost of 5-6, 25-28
- State governments 1, 2, 63, 66, 67-69, 72, 75, 111, 125, 151, 155, 156
- Stiglitz, J. 132
- Structural transformation 55-58, 59, 94, 105, 116, 142, 164
- Sub-national strategy 66, 74
- Subsidy removal 1, 5, 8, 11, 17, 26, 113, 115
- Successes, international 119-122

T

- Targets 8, 72-74, 89, 108, 110, 139-141
 - consolidated 139-141
 - dashboard, shared prosperity 139-141
 - Open Digital Area 71, 74
 - pillar-specific, 74
- Tax reform 1, 5, 11, 19-20, 99-100, 113, 115
- Tax-to-GDP ratio 20, 52, 113, 114, 137
- Technology adoption 2, 105
- Three Million Technical Talent (3MTT) 70, 71, 132, 146, 147, 151, 164
- Tourism 95, 96, 124, 142
- Trade 6, 22, 36, 38, 43, 44, 45, 47, 65, 76, 78, 79, 85, 138, 142, 143-144, 151, 156

Transfers, social 65, 74, 141

Transition, just 96-97, 163

U

Underemployment 49, 53

Unemployment 6, 35, 49, 60, 102, 107

UNCTAD 168

UNITAR 168

United Nations Principles on Responsible Sovereign Borrowing & Lending 168

Urban areas 32, 45, 76, 78, 79, 84, 145

V

Value added 7, 67, 85-86, 89, 138

Value chains, agricultural 77-79, 157-158

Verification 90, 125, 126, 127, 148, 149, 160, 162, 163

Vietnam 87

W

Wage employment 6, 22, 35, 49, 52, 65, 70, 74, 75, 119, 139, 145

West African Institute for Financial and Economic Management (WAIFEM) 14,
164, 165, 167, 168

Wholesale and retail trade 36, 38, 45, 76, 82, 137, 144, 161, 162

World Bank 7, 13, 14, 22, 31, 57, 66, 97, 119, 132, 133, 137, 145, 146, 168

Y

Yobe State 158

Youth 1, 2, 7, 48-53, 57, 63, 65, 69-72, 95, 105, 130, 146, 160

digital skills 53, 57, 70, 105

entrants to labour market 48-53, 70

Open Digital Area (ODA) 7, 8, 14, 53, 63, 69-72, 74-75, 96, 105, 111,
117, 121, 129, 142, 147

Z

Zones, geopolitical 70, 71, 72, 80



**NIGERIAN
ECONOMIC
SOCIETY**

SINCE 1957

www.nigerianeconomicsociety.org.ng



ISBN: 978-978-694-782-2