

E-GOVERNANCE AND ECONOMIC GROWTH IN NIGERIA: ANY NEXUS?

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Abstract

Nigeria independence in 1960 came with both political and economic liberty but not without their management responsibility. Both are systematically related as platform for promoting citizens' welfare. In a globalizing world under perpetual influence of technology, especially in driving economic activities, the place of e-governance in Nigeria context demands a review. How has electronic governing approach positively impact economic growth in Nigeria? This is a question the paper tries to provide an answer and therefore its major objective is to examine the nexus between e-governance and economic growth in Nigeria. We explored secondary data sources as qualitative research methods. Development theory was adopted for the purpose of making explanations. The theory is a conglomeration of theories about how desirables in society are best achieved. The theory offers different explanations to the process of development and their resultant effects. We conclude that there is under exploration and utilization of electronic potentials by the Nigeria government in the management of her economy for economic growth and suggest that digital commercial transactions should be more promoted and facilitated by policy makers and stakeholders to achieve the desired economic growth in Nigeria.

Keywords- *E-governance, Economic growth, Nigerian economy, Development theory, Economic activities*

INTRODUCTION

E-governance plays an important role on the economic development of any nation. In fact, the benefit of e-governance to the operation of Nigeria's economy is not in doubt. The use of e-governance in Nigeria can be traced to the formulation of the Nigerian National Information Technology (NNIT) policy in the year 2000. The purpose of these policy was to make Nigeria an Information Technology (IT) capable country in Africa and a key player in the information society and also use IT for creation of wealth; education; governance; poverty eradication; health; job creation; agriculture e.t.c (National Information Technology Policy, 2000).



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Electronic governance has improved daily operations in organisations both in private and public sectors. It has also contributed immensely to economic growth as manual based operation has now shifted to computer based. Electronic Service transactions to a large extent have phased out face to face and telephone based transactions. The Central Bank of Nigeria (CBN) in 2012 introduced a Cashless policy aimed at making the economy thrive on cashless transaction which to a reasonable extent has been effective and promising. Apart from reducing the manual cash handling of both private and public sectors, in recent time, going by Nigeria economy rebasing output, the country has overtaken South Africa as top Africa economy. The question that comes to mind is the place of information technology in this economy upsurge measured by Gross Domestic Product (GDP)

However, despite the positive economy indices, the public sector is just coming to term with electronic process to drive the revenue that has suffered decline before now as a result of manual documentation and operational system. Thus, this paper will be of great interest and benefit to government officials and entire public as it carry out a critical examination of diverse roles of e-governance on Nigeria economy with its benefits and deficiencies.

CONCEPTUAL CLARIFICATIONS

The concepts of e-governance and Nigeria economic growth are discussed in this section. E-governance concept has been defined by deferent scholars; most researchers are unique in their definitions of the concept, thereby presenting different definitions of what e-governance means (Shilubane, 2001; Budhiraja, 2003 & Ojo, 2014). According to Shilubane (2001) (cited in Ugochukwu & Lawrence, 2015, p31), e-governance is the usage of information communication technologies (ICTs) to carry out services delivery to the public and this is achieve through the use of internet to ensure that services are delivered in a much more convenient, customer oriented and cost effective manner. Also Kazeem & Kate (2015) defines e-governance as just more than creating websites or email, but processing of transactions through the internet. From all these definitions, it is obvious that e-governance has become a vital part of technological advancement in the world today. E-governance enables transparency, accountability and evaluation of both private and government performance through citizen's participation.

Shailendra & Sushil (2015), see Governance as the process and institutions of both formal and informal, which guide and restrain the collective activities of different group. Government is the subset that acts with authority and creates formal obligations. Governance may not necessarily be conducted exclusively by governments. Both Private firms, nongovernmental organizations (NGOs), associations of NGOs and associations of firms all engage in it, often in association with governmental bodies, to create governance; sometimes without governmental authority. From the definitions above, it is apparent that governance is not limited to the public sector alone but incorporates both private sector and nongovernmental organization because of their inputs and feedback functions alongside with gate keeping as revealed in Eason's system theory mechanism.

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UNESCO (2007) defines “E-governance as the use of information and communication technologies in public sectors for improving information and service delivery to encourage citizen participation in the decision-making process and making government effective, accountable and transparent. It also involves new leadership styles, new ways of accessing education, new ways of debating and deciding policy and investment, new ways of listening to citizens and new ways of organizing and delivering information and services. E-governance is seen to have a wider conceptual meaning than e-government, because it can bring about different changes in the way citizens relate to governments and vice-versa. E-governance can bring about new ways of citizenship, in terms of citizen needs and responsibilities. The main objective of e-governance is to engage, enable and empower all citizens for greater political and socio-economic participation.

From these definitions, it is abundantly clear that e-governance focuses on the application of electronic means in administration and management within an organization, whether it is public or private, large or small. Also, it is the utilization of information technology (IT) to direct and restrain different activities of people and groups either in public or private sector.

Nigeria Economic Growth

Nigeria is known as one country that plays a major role in the world economy. It is known as the largest black nation, and her economy is one of the largest and most developed economies in Africa. Nigeria has abundant human and material resources, but the economic growth is still hampered by different challenges such as bad leadership and management (Kazeem & Kate, 2015). In 1960 Nigeria attained independence, by 1966 Nigeria was engulfed in a political turmoil that ushered in a regime of coups, counter coups, regime changes, political instability and a civil war between 1966 and 1979. But during this period, the country was mostly governed by the military using coercive instruments and systems of administration, which is a reflection of their training and orientation, which were inimical to economic growth and development. The ambition and greed among the ranks of the military to remain in power led to the frequent change in government that virtually rendered the economy of Nigeria prostrate (Edo & Ikelegbe 2014).

Kazeem & Kate (2015) in their work explain that the economic performance of Nigeria does not reflect resource endowments even though there is considerable progress in the economy. According to National Bureau of Statistics (2016), The Nigerian economy has faced diverse challenges which have negatively impacted the overall economic activity since 2012 till date. The decline in the real growth rates of economic activity, both in the oil and non-oil sectors, has been as a result of militancy in the oil bearing region, Niger-Delta and systemic corruption inherent in the governance. Oil production was less than expected due to different security challenges, and floods which occurred in the latter part of the year, while the non-oil sector (notably Agriculture, Wholesale and Retail Trade) was mostly affected by weaker consumer demand.

The inefficiency of government operations has become a major problem to the development and growth of the country economy which has led to a long time period of economic

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stagnation. This has also generated an intense pressure on the government from within and outside the country to undertake economic reforms for the purpose of encouraging development and growth (Edo & Ikelegbe 2014). Important economic reform was adopted and seen as the only viable option that could prevent the collapse of the Nigeria economy. This was what brought about the IMF/World Bank inspired Structural Adjustment Program (SAP), which took effect in 1986 and ushered in the era of socio- economic reforms.

The economy of Nigeria is majorly product oriented and dominated by crude oil production and agriculture. In terms of revenues, foreign exchange and foreign investments, the oil and gas sector is the main driver of the country economy. This sector produces more than 90 percent of total exports, 95 percent of foreign exchange earnings and about 80 percent of budgetary revenues. The petroleum sector produces 79 percent of federal revenues and 71 percent of export revenue in 2011. The petroleum sector's contribution to the GDP was 14.7 percent in 2011 and 12.9 percent in the second quarter of 2013 (African Development Bank, 2013).

In Nigeria, the main economic activity is agriculture which account for 40 percent of the GDP in 2011 and employing about 70 percent of the population. The labour force in the sector was estimated at 47.3 in 2009 and 58.8 in 2012. It experienced decline due to the oil boom of the 1970s (Edo & Ikelegbe 2014). The Agriculture's share of exports in 1965 was 75 percent but reduced to 3 percent in 2012. The impact to GDP was 63 percent in 1960 but reduced to 34 percent in 1988, 33.4 percent in 2009 and 30.9 percent in 2012 (Ignite 2013). The industrial sector of the Nigeria economy is very weak. Its growth rate for production was estimated at 2.5 percent in 2011 but manufacturing only contributed 4.2 percent to the country GDP (Edo & Ikelegbe 2014).

The Industry and construction sector accounted for a total of 9.5 percent to the GDP in the second quarter of 2013. Petroleum and petroleum products are the major exports and about (95 percent) of this produces are exported, also cocoa and rubber are exported while machinery, equipment and manufactured goods are the main imports to the country. The main export destinations in 2011 were USA (29.1 percent), India (11.6 percent), Brazil (7.8 percent), Spain (7.1 percent) and France (5 percent), while the major countries of import into the country were China (17.3 percent), USA (9.1 percent), India (5 percent), Netherlands (4.9 percent) and South Korea (4.7 percent). The main impact on the current growth of the economy are the crude oil and gas sector, and the non-oil sector particularly agriculture, telecommunications, building and construction. (Edo & Ikelegbe, 2014).

According to National Bureau of Statistics (NBS) data in (2016), the Nigerian economy has recorded two consecutive quarters of economic contraction. In Q1 2016, GDP growth was negative (-0.36%) and recently released Q2 2016 data reflects a larger contraction (-2.06%). The economic contraction is fairly broad and includes both non-oil and oil sectors. The oil sector contracted by 17.48% and non-oil sectors by 0.38%. Nigeria's GDP is quite diversified, and the problem is not structure of domestic production, the issue is undiversified structure of government revenue and exports (FX) revenue (Nigeria's Economy and

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Recession Outlook for 2017). According to the NBS, Nigeria's economically active population of 106.69million (by June 2016), only 79.9 million were in the labour force. But at end of Q2 2016, out of the 79.9million labour force population, 15.4million (19.3%) were underemployed, while 13.3% were unemployed. A total of 26.6million people (32.6%) were either unemployed or underemployed.

The unemployment/underemployment rate for youths aged 15-24 years was 58.3%. The major contributor to recession in Nigeria was the denial and policy incoherence over FX policy until policy changed in June 2016. Economic growth is highly dependent on a more pro-reform, pro-private capital policy posture. The main catalyst for such policy moderation may be external pressure (Nigeria's Economy and Recession Outlook for 2017). In sum, Nigeria economy has experience fluctuational growth since independence without long periodic stable growth trend in spite of various intervening economic reform policy measures. This article is qualitative as it explored secondary data in developing the paper. It also adopted the developmental theory to buttress the essence of the paper.

Every nation strives to develop and Nigeria is not left out of this struggle. The position of this paper is that with e-governance, the country can be on the right path to economic growth and development. E-governance covers several areas of government activities. Four distinct areas can be identified. For example, government-to-government (G2G), government to citizens (G2C), government to employees (G2E) and government to business (G2B).

E-governance if properly implemented can solve the development puzzle in the country. It will help to curb corruption by checking financial malfeasance and other forms of waste going on in public administration (Mistry, 2012). It will bring the citizens to the development equation as active participant not recipients of finished goods and services that may not meet their expectations. (Nchuchuwe & Akhakpe, 2016)

The Role of E-governance in Nigeria Economic Growth

This section provides a review on e-governance roles in Nigeria economic growth. Although the economic performance in Nigeria has been very slow unlike the Asia countries that were behind Nigeria about few decades ago, the significant contribution of electronic transactions to both boom and decline periods are not noticeable. The Asia countries have transformed their economies that made them major players in the global economic arena today leveraging on electronic technology and Nigeria can learn lessons from them. It is a common knowledge that E-governance helps in the management and administration of services, it unites the important trends in the business world, and expedites the shifting of the economy from industrial production to service oriented economy. The increase and development of information and electronic networks has helped in e-service growth and has improved the country economy growth. In present day Nigeria, most private and government agencies still depend on employee's honesty to give proper account in using public funds and collection of revenue to support economy development (Kazeem & Kate 2015). What an uncivilised trend in a developed ICT world of today.

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However, in some occasion, ICT has helped to check fraudster's activities in the collection of various government revenues in Nigeria. The management and administration of services by both public and private sector has been improved through e-governance, while the living standard of citizen could be improved with developmental projects if fund is available (Kazeem & Kate 2015). While both positive and negative situations of ICT exist in Nigeria, one is not left in doubt that the benefits accruable from it have not been optimally explored. According to Orlova (2012), e-governance plays important role for implementation of effective use and application of information technology. He explains further in his work that looking at the potentials of ICT; it should provide a useful basis for social and economic reforms, creation of a sustainable economy, strengthen civil society and promote democratic Nigeria state. In addition to the economic and social importance of ICT, it can strengthen state information security, enrich the information environment of Nigeria, confront information war and special operations, conducting other countries.

Although there are so many roles and benefits with the use and application of electronic governance to the growth of the Nigeria economy, while the use of the technology (e-governance) might not be able to totally remove challenges facing the country's economic growth, its under utilisation has deprive her of its attendant monumental benefits tha is capable to catalyse upward economic movement. It would have, therefore, encourage and facilitate the actualization of economic development goals through prompt availability and exchange of information (Kazeem & Kate 2015).

DEVELOPMENT THEORY

The proposed Development Theory is derived from the work of Jean Piaget (1896-1980), Erik Erikson (1902-1994), Regnar Nurkse (1907-1959), Lev Vygotsky (1896-1934), and John Bowlby (1907-1990). This theory is concerned with how desirable a society growth is best achieved through a continuous process; the theory explains the different process of development and their inequalities. From the works of these writers, it is an extremely efficient way of solving problems and is usually considered applicable in practice to instances of difficult societal or economy problems of different size. Most countries including Nigeria consider economic growth as an important economic and political objective; it is an important factor for any economic success in the long run (Samuelson & Nordhaus 2001, p. 632). Although every country has this objective, in the world there are many disparities in terms of prosperity (Monica Pop Silaghi, 2014, pp. 23-36)

E- Governance in recent time is one strategy use by government to achieve economic growth through management and administration with the use of ICT. Budhiraja (2003) defines e-governance as the application of Information Technology to the process of government functioning in order to achieve a Simple, Moral, Accountable, Responsive and Transparent (SMART) Governance. Also, Ojo (2014, p. 79) defines e-governance as "the application of information communication technology (ICT) by the government to enhance accountability, create awareness and ensures transparency in the management of governmental business." He states further that e-governance is a political strategy use by government to achieve their

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goals. Ayo (2014, p. 76) explains in his work that e-governance is “the governing of a state or country using ICT.”

Based on the theoretical and empirical evidences and the vision of the theory that talks about development has a continue process to achieve social and economy growth which makes the theory relevant and valid to this study.

Challenges and Benefits of E-Governance Implementation for Nigerian Economic Growth

This section looks at the various challenges of e-government for Nigeria economic growth, but it is impossible for us to discuss challenges without looking at the benefits. In Fatile (2012) & Pathak et al (2008) explains that developing countries like Nigeria have now realized the need for e-governance in order to provide customer-focused, cost effective, and easy to use services for citizens and businesses and to improve the internal workings of government. The applications of electronic system of governance have emerged rapidly in most developing world, and many of this countries use e-governance as an enabling tool to increase efficiency, enhance transparency, collect more revenue and facilitate public sector reform. While e-governance is not a panacea that can improve the performance of the public sector, it is a powerful enabling tool that has aided governments achieves some of their development and administrative reform goals (Fatile, 2012).

Despite the benefits of e-governance, it can also be a hindrance to change; it is not a complete solution for Nigeria economic growth (Ignite 2013). The diverse potential benefits of e-governance that emerge from the use of Information Technology (IT). According to Shatne and Symonds in Fatile (2012), these include: Costs incurred by a government in providing services that is reduced by the use of the Internet, Reduced government spending and increased interest earning. Governments are under pressure to meet rising expectations for their service. With the use of IT, citizens are now able to access government’s services without going to any government office or to contact any of the officials by telephone.

The use of Internet and Websites serve as convenient and cost effective platforms for centralized service provision. Businesses, residents, visitors, and intergovernmental agencies can easily access public information related to their specific needs by simply checking on different web links. They can also contact government officers directly through email or online request forms. One of such development is the use of CRM software, which provides a vehicle through which governments can increase cooperation through integration of back office and front office. When this is maximally operationalised, there is tendency to add to ease of doing business and thereby serve as bait for foreign investors. Similarly, another beneficial outcome of e-governance is the promotion of e-democracy. Some examples of digital democracy include voter registration, public opinion polling, and communication among elected representatives and their constituents (Fatile, 2012).

Nigeria has benefited from e-governance and to some extends has impacted the country’s economy growth in many ways. But despite the benefits there are some hindrances such as political instability that has bedevilled the country. Expectedly, Proper implementation of e-

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governance initiatives can improve the culture, lack of accountability, and transparency visible in Nigeria system. In addition, it will reduce the heavily paper based system to an electronic system which will reduce the need for man power. Thus, this would allow the process to be handled by lesser employees and thus reduce operation cost. If the internet service is accessible to citizens irrespective of location throughout the country, it will bring the next and potentially biggest benefit of an e-governance service and this will have great impact on economic development (Muhammed *et al.* 2010).

CONCLUSION AND RECOMMENDATIONS

E-Governance is meant to enable and increased portfolio of public services to citizens in an efficient and cost effective manner and when this is well done, it will boost the country economy. E-governance allows for management and administrative transparency. Government transparency is very crucial because it allows the public to be enlightened about what the government intentions are, as well as the policies they are trying to implement on different issues. Simple tasks may be easier to perform through electronic government access. Economic scheme for empowering both men and women in Rural Nigeria through Digital medium should be thought of especially via mobile telephone. Also, government should come up with training for the public workers such that will enhance their electronic capacity exploration and innovations suitable for the local environment. Above all, government policies affecting socio-economic and political milieu must reflect application ICT, more importantly at the implementations stages.

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