

POLITICAL INSTITUTIONS' INFLUENCE ON TRADE AND INVESTMENT POLICIES IN NIGERIA (2019 – 2023)

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Abstract

This study explores the influence of political institutions on trade and investment policies in Nigeria from 2019 to 2023 through the lens of Institutional Theory. Utilizing a secondary research methodology, the analysis investigates how political transitions, governance reforms, and external shocks have shaped Nigeria's trade and investment landscape. The findings reveal that Nigeria's political institutions have played a crucial role in policy formulation and implementation, demonstrating both resilience and adaptability in response to changing circumstances. However, challenges such as regulatory inconsistencies, bureaucratic inefficiencies, and policy disruptions have impacted investor confidence and economic stability. To enhance policy effectiveness and investment attractiveness, the study recommends: enhancing institutional coordination by strengthening collaboration between political institutions to ensure coherent policy formulation and implementation, thereby avoiding regulatory inconsistencies, promoting legislative capacity building to empower the National Assembly in overseeing trade agreements, advocating fair trade practices, and aligning with international standards and sustaining policy stability by fostering institutional stability through predictable regulatory frameworks and long-term policy commitments, which will mitigate risks associated with political transitions and improve Nigeria's investment climate.

Keywords: Influence, Political Institutions, Trade, Investment, Policies.

Introduction

The study is centered on Political Institutions influence on Trade and Investment Policies in Nigeria from 2019 to 2023. In recent decades, Nigeria has emerged as a significant player in Africa's economic landscape, endowed with vast natural resources and a large population. The country's economic policies, particularly those related to trade and investment, are critical in shaping its integration into the global economy and fostering sustainable economic growth. The period from 2019 to 2023 witnessed various political developments and policy shifts that have influenced Nigeria's trade relations and investment climate. Understanding how political institutions have influenced these policies is essential for assessing Nigeria's economic trajectory and its attractiveness as an investment destination.

Nigeria operates as a federal republic with a presidential system of government, characterized by a separation of powers among the executive, legislative, and judicial branches. The presidency, led by the president as the head of state and government, holds significant influence over policy formulation and implementation. The National Assembly, comprising the Senate and the House of Representatives, serves as the legislative arm responsible for passing laws, including those related to trade and investment. The judiciary provides legal oversight and interpretation of laws and regulations, ensuring adherence to constitutional principles. Trade and investment policies in Nigeria are formulated to promote economic diversification, enhance competitiveness, attract foreign direct investment (FDI), and facilitate sustainable development. Key elements of Nigeria's trade policy include tariff regulations, trade facilitation measures, export promotion schemes, and participation in regional and international trade agreements. Investment policies aim to create a conducive business environment through regulatory reforms, investment incentives, and sector-specific strategies.

The period from 2019 to 2023 was characterized by significant political dynamics in Nigeria. In 2019, President Muhammadu Buhari was re-elected for a second term, marking continuity in leadership under the All Progressives Congress (APC) party. The National Assembly, with its composition of elected representatives from various states and political parties, played a pivotal role in legislative oversight and policy enactment during this period. Political developments, including elections at the state and local levels, coalition formations, and governance reforms, influenced policy priorities and decision-making processes. Economically, Nigeria faces challenges such as dependence on oil revenues, infrastructure deficits, unemployment, and poverty. The country's economic diversification agenda seeks to reduce reliance on oil exports and promote sectors like agriculture, manufacturing, and services. Trade policies aim to enhance export competitiveness, reduce trade barriers, and improve market access for Nigerian products globally. Investment policies focus on attracting FDI in critical sectors such as infrastructure, energy, telecommunications, and manufacturing.

Literature Review

This literature review explores Political Institutions' Influence on Trade and Investment Policies in Nigeria from 2019 to 2023. Studies have consistently shown that political institutions play a significant role in shaping trade and investment policies in developing countries like Nigeria (Ademola et al., 2020; Olu-Adeyemi & Ayoola, 2019). According to Ademola et al. (2020), political institutions can either promote or hinder economic growth, depending on their effectiveness and accountability. In Nigeria, the political institution has been characterized by corruption, instability, and weak governance, which has negatively impacted trade and investment policies (Egwaikhide & Okoli, 2020). For instance, the country's ranking in the World Bank's Ease of Doing Business Index has consistently been low, due to bureaucratic red tape, corruption, and political instability (World Bank, 2020). Some scholars have argued that the political institution in Nigeria has prioritized political patronage over economic development, leading to a lack of diversification in the

economy and a heavy reliance on oil exports (Olu-Adeyemi & Ayoola, 2019). This has resulted in a lack of competitiveness in the global market and a decline in foreign investment (Ademola et al., 2020). However, there is evidence to suggest that recent reforms aimed at improving the business environment and promoting trade and investment have had a positive impact on the economy (Egwaikhide & Okoli, 2020). For example, the Nigerian government's efforts to simplify business registration and reduce bureaucratic red tape have led to an increase in foreign investment and economic growth (World Bank, 2020). Studies underscore the critical role of political institutions in shaping trade and investment policies, particularly in developing countries like Nigeria (Ademola et al., 2020; Olu-Adeyemi & Ayoola, 2019). According to Ademola et al. (2020), effective political institutions are crucial for fostering economic growth through stable policy environments and accountable governance. Nigeria's political landscape, however, has been marked by challenges such as corruption and institutional weaknesses, which have adversely affected trade and investment policies (Egwaikhide & Okoli, 2020). Scholars note that political patronage and rent-seeking behavior have often prioritized short-term political gains over long-term economic development strategies (Olu-Adeyemi & Ayoola, 2019). Research by Aremu and Ogunrinola (2021) further highlights that the effectiveness of Nigeria's political institutions in promoting economic reforms and attracting foreign direct investment (FDI) has been constrained by bureaucratic inefficiencies and regulatory complexities. These factors have hindered the country's competitiveness and attractiveness as an investment destination. Moreover, Oyinlola et al. (2020) argue that institutional reforms aimed at improving governance transparency and reducing administrative bottlenecks are essential for enhancing Nigeria's business climate. They emphasize the need for stronger institutional frameworks that prioritize policy continuity and investor confidence. Recent reforms in Nigeria have shown some promise in addressing these challenges. For instance, initiatives to streamline business registration processes and reduce bureaucratic hurdles have contributed to a modest increase in FDI inflows (World Bank, 2020). However, sustaining these reforms and addressing underlying institutional weaknesses remain critical for long-term economic sustainability.

Theoretical Framework

For studying "Political Institutions influence on Trade and Investment Policies in Nigeria from 2019 to 2023," one theory that is particularly suitable is the Institutional Theory. Institutional Theory focuses on the impact of institutions formal and informal rules, norms, and practices on shaping behavior and outcomes within organizations or societies. In the context of political institutions influencing trade and investment policies in Nigeria, Institutional Theory provides a framework to analyze how formal institutions (e.g., government structures, legal frameworks) and informal institutions (e.g., norms, traditions) influence policy decisions and implementation. Institutional Theory provides a robust analytical framework for examining how political institutions shape trade and investment policies in Nigeria from 2019 to 2023. By focusing on formal and informal institutional factors, path dependencies, and mechanisms of institutional change, this theory helps elucidate the dynamics of policy formulation, implementation, and adaptation within Nigeria's evolving political context. Integrating Institutional Theory into the study

enhances understanding of the complex interplay between political governance, institutional arrangements, and economic policy outcomes in Nigeria's development trajectory. Government structures analyze how the structure of Nigeria's political institutions, including the presidency, National Assembly, and judiciary, shapes the formulation and implementation of trade and investment policies. Informal Institutions investigate informal norms within political institutions that guide behavior and decision-making. This includes political culture, clientelism, and bureaucratic practices that may influence policy outcomes independently of formal rules. Historical experiences, such as colonial legacy or periods of military rule, may influence current institutional practices and policy approaches.

Methodology

Research Design

The research design is a descriptive and analytical study, which aims to describe and analyze existing data on Facebook and politics in Nigeria for the study of Political Institutions influence on Trade and Investment Policies in Nigeria from 2019 to 2023.

Method of Data Collection/Analysis

The secondary data sources like academic journals and articles, Literature review, Academic books and research papers that analyze the influence of political institutions, with a focus on trade and investment. Using a secondary research approach, the study will involve comprehensive literature review, document analysis of policy documents, reports, and scholarly articles. Data will be gathered from reputable databases, governmental publications, and academic journals to substantiate findings and draw conclusions regarding the influence of political institutions on trade and investment policies in Nigeria from 2019 to 2023. Conducting a thorough review of academic literature, government publications, international organization reports (e.g., World Bank, IMF), and policy analyses related to trade and investment policies in Nigeria from 2019 to 2023. Conducting a thorough review of the academic literature, government publications, international organization reports, and policy analyses related to trade and investment policies in Nigeria from 2019 to 2023 involves analyzing several key areas.

Analyses of Trade and Investment Policies

Recent academic studies have focused on Nigeria's efforts to diversify its economy away from oil dependency. Researchers highlight the government's strategies to promote non-oil exports and the challenges associated with this shift. Studies examine Nigeria's role in regional trade agreements such as the African Continental Free Trade Area (AfCFTA) and its implications for domestic industries and economic growth. Research has scrutinized Nigeria's investment climate, addressing issues such as infrastructure deficits, regulatory barriers, and corruption. Studies suggest that while reforms have been initiated, significant obstacles remain. There has been analysis of specific sectors such as agriculture and technology, with attention to government policies aimed at boosting foreign and domestic investment in these areas. Economic Recovery and Growth Plan (ERGP): Nigeria's ERGP (2017-2020) aimed to foster economic recovery and growth, focusing on industrialization,

infrastructure, and export promotion. Government reports highlight progress in some areas but also acknowledge implementation challenges. The Nigerian government has implemented import substitution policies to boost local production. Publications discuss mixed results, including some successes in sectors like agriculture, but also issues such as inefficiencies and high production costs. National Investment Policy (NIP): The NIP outlines strategies to attract both foreign and domestic investment by improving the business environment and providing incentives. Government reports note incremental improvements in investment inflows but also cite ongoing concerns like inconsistent policy enforcement. The World Bank's reports have consistently highlighted Nigeria's challenges in ease of doing business, citing issues such as regulatory bottlenecks and inadequate infrastructure. However, the government's reforms are acknowledged, albeit with slow and uneven progress. The World Bank's assessments indicate that while Nigeria has potential, substantial improvements in governance, transparency, and infrastructure are necessary to attract more significant investment. The IMF's reports on Nigeria have discussed the impact of global economic conditions on Nigeria's trade and investment. They emphasize the need for structural reforms and diversification of the economy to mitigate vulnerabilities. IMF publications address the challenges Nigeria faces in managing its fiscal policies, particularly in relation to public debt and expenditure, which can affect investment and trade policies. Policy analyses focus on the effectiveness of trade policy reforms, including tariff adjustments and trade facilitation measures. Analysts point to some improvements in trade balance but stress the need for comprehensive reforms to support industrialization. Analyses of Nigeria's investment incentives highlight both positive impacts and limitations. Incentives have attracted investments, especially in sectors like technology and agriculture, but the overall investment climate remains challenging due to systemic issues. From 2019 to 2023, Nigeria has made several strides in enhancing its trade and investment policies, but challenges persist. Efforts to diversify the economy, improve the business environment, and leverage regional trade agreements have shown mixed results. Academic literature, government publications, and international reports collectively indicate that while progress has been made, Nigeria needs to address structural and regulatory issues to fully realize its trade and investment potential.

Nigeria's trade and investment policies between 2019 and 2023 could be shaped by complex interactions between the presidency, the legislature, and various institutions. Coding and categorizing data to identify recurring themes, patterns, and relationships between political institutions (e.g., presidency, legislature) and trade/investment policies in Nigeria. To conduct a thematic analysis of the political institutions and their relationship with trade and investment policies in Nigeria from 2019 to 2023, we need to systematically code and categorize data from various sources. This involves identifying recurring themes, patterns, and relationships between key political entities (such as the presidency, legislature, and relevant ministries) and the policies affecting trade and investment. Data sources of legal documents, Laws, bills, and amendments related to trade and investment. Policy Briefs document from government agencies and think tanks. Official Statements of speeches and press releases from the presidency, ministries, and key officials. Media Reports are articles and news stories discussing political decisions and policy impacts.

Economic Policy Vision of coding for statements and policies initiated by the presidency, such as the ERGP and NDP. Trade Agreements of actions and support for regional trade agreements like AfCFTA. Executive Orders implementation of executive orders related to trade and investment, including regulatory changes and incentives. Trade and Investment Laws are coding for legislative records that pertain to new laws, amendments, and regulatory frameworks affecting trade and investment. Oversight and Appropriations is how the legislature influences budget allocations for trade and infrastructure projects. CBN and Monetary Policies are the role of the Central Bank of Nigeria in stabilizing the economy and influencing trade policies. NIPC and Investment Promotion are initiatives by the Nigerian Investment Promotion Commission to attract and facilitate investments. Anti-Corruption Measures are legislative and executive efforts to address corruption, impacting investor confidence. Investment Inflows are tracking changes in foreign direct investment (FDI) and domestic investment. Trade Performance are shifts in export and import patterns, and the impact of trade policies on local industries. Infrastructure Development are analysis of infrastructure projects and their effectiveness in supporting trade and investment. The presidency has often set the strategic direction for trade policies, including support for trade agreements and economic diversification efforts. Executive orders and policy statements frequently reflect the administration's priorities.

Legislative bodies play a crucial role in crafting and approving laws that shape the trade and investment environment. Legislative support or opposition can significantly influence the implementation and effectiveness of policies. The coordination between institutions like the CBN and NIPC and the executive branch impacts policy effectiveness. For instance, monetary policies by the CBN can affect trade competitiveness, while the NIPC's initiatives influence investment flows.

Influence of Political Institutions on Trade Policies.

This research studies Political Institutions influence on Trade and Investment Policies in Nigeria from 2019 to 2023. Interpreting the findings of Political Institutions influence on Trade and Investment Policies in Nigeria from 2019 to 2023 through the lens of existing theories and literature reveals several insights and correlations. From 2019 to 2023, the presidency in Nigeria played a significant role in shaping the country's trade policies through various strategic initiatives. These initiatives included export promotion schemes, tariff adjustments, and active participation in regional trade agreements such as the African Continental Free Trade Area (AfCFTA). Here's a detailed analysis of how presidential leadership influenced trade policies during this period: The Nigerian Export Promotion Scheme has Strategic Initiatives like the Nigerian Industrial Revolution Plan (NIRP): Building on the ERGP, the presidency promoted the NIRP to enhance industrialization and boost non-oil exports. This plan aimed to improve the competitiveness of Nigerian industries through better infrastructure and regulatory support. Export Expansion Grant (EEG): The presidency endorsed and supported the EEG scheme to incentivize Nigerian companies to increase their export activities. This program provided financial support to exporters, although implementation faced challenges such as delayed disbursements and bureaucratic hurdles. There was some improvement in export performance in sectors like agriculture and manufacturing, partly due to the financial support and policy

encouragement. Implementation issues, such as delays in grant distribution and inefficient processes, limited the effectiveness of these schemes. There were Tariff Adjustment Strategic Initiatives like Import Substitution Policies. The presidency advocated for import substitution as part of its broader economic strategy. This involved increasing tariffs on certain imported goods to protect local industries and promote domestic production. There were several adjustments to import tariffs on products like rice, vehicles, and textiles. These adjustments aimed to reduce import dependency and encourage local production. The increased tariffs led to some growth in local industries, particularly in sectors like agriculture and manufacturing. Higher tariffs led to increased costs for consumers and businesses reliant on imported raw materials. There were also concerns about trade disputes and retaliatory measures from trading partners.

Participation in Regional Trade Agreements Strategic Initiatives like the African Continental Free Trade Area (AfCFTA). In 2019, Nigeria ratified the AfCFTA, marking a significant shift towards greater regional economic integration. The presidency played a crucial role in both negotiating and endorsing the agreement. The presidency aimed to implement AfCFTA by aligning national policies with the agreement's requirements, including reducing non-tariff barriers and enhancing trade facilitation measures. AfCFTA was expected to open up new markets for Nigerian products and attract more foreign investment by creating a larger continental market. Implementation faced challenges such as aligning national regulations with AfCFTA standards, addressing concerns from local industries about increased competition, and improving infrastructure to handle increased trade volumes. In Institutional Dynamics and Policy Coordination, the researcher looked at the role of the Presidency in leadership and coordination. The presidency's role was crucial in setting the trade policy agenda and coordinating efforts across various government departments and agencies. Key institutions involved included the Ministry of Industry, Trade and Investment, Nigerian Customs Service, and the Nigerian Investment Promotion Commission (NIPC). Presidential speeches and public statements emphasized the importance of trade reforms and regional integration, shaping both domestic and international perceptions of Nigeria's trade policy direction. Strong presidential leadership helped to push forward key trade initiatives and maintain focus on economic diversification and regional integration goals. Coordination between different government agencies was sometimes lacking, leading to inconsistencies in policy implementation and enforcement. From 2019 to 2023, the Nigerian presidency played a pivotal role in shaping the country's trade policies through strategic initiatives in export promotion, tariff adjustments, and regional trade agreements like AfCFTA. While there were positive outcomes in terms of industrial growth and regional integration, challenges such as implementation inefficiencies, increased costs, and regulatory misalignment impacted the overall effectiveness of these policies. The presidency's leadership was instrumental in setting the trade policy agenda, but achieving successful outcomes required overcoming significant hurdles related to coordination and policy execution.

Legislature (National Assembly) conducts oversight on Policy Enactment. From 2019 to 2023, the National Assembly of Nigeria played a critical role in shaping trade policies

through various mechanisms, including passing laws, conducting oversight on international trade agreements, and advocating for policies that both protect domestic industries and promote global competitiveness. Here's an analysis of how the National Assembly influenced trade policy formulation during this period: Passing Laws Related to Trade Policies in Key Legislation like the Finance Acts (2019, 2020, 2021). The National Assembly passed several Finance Acts, which included provisions impacting trade policies such as tariff adjustments, VAT changes, and import duties. These Acts aimed to enhance revenue collection, streamline tax policies, and incentivize local production. Then, there was the Customs and Excise Management Act (CEMA) Amendments. The National Assembly enacted amendments to the CEMA to improve customs operations and enhance trade facilitation. These changes were intended to modernize customs procedures and address issues like smuggling and revenue leakage. The Finance Acts provided a framework for more dynamic and responsive trade policies, helping to address issues in the tax and tariff systems and supporting economic diversification. Some businesses faced increased costs due to higher tariffs and regulatory changes. The effectiveness of these laws depended on efficient implementation and enforcement. The National Assembly conducts oversight on International Trade Agreements like the AfCFTA Oversight. The National Assembly played a crucial role in the ratification of the African Continental Free Trade Area (AfCFTA). The House of Representatives and the Senate held debates and conducted sessions to scrutinize the implications of the agreement. Post-ratification, the National Assembly monitored the implementation of AfCFTA, including the alignment of national policies with regional standards and addressing concerns from domestic industries. Legislative oversight helped ensure that the AfCFTA agreement was comprehensively reviewed and that its implementation was in Nigeria's best interest. There were concerns from domestic industries about increased competition, and some oversight efforts struggled with ensuring timely and effective policy adjustments. The National Assembly Advocates for Domestic Industry Protection and Global Competitiveness using Advocacy for Protectionist Policies like the Local Content Laws. The National Assembly advocated for policies that protect and promote local industries, such as local content regulations in sectors like oil and gas and manufacturing. There are Tariff Protection also. Legislators supported the imposition of higher tariffs on certain imported goods to protect nascent industries from foreign competition. Promotion of Global Competitiveness using Trade Facilitation Measures. The National Assembly also pushed for reforms to improve the ease of doing business, such as simplifying regulatory processes and enhancing trade infrastructure. There was support for policies that facilitate exports, such as export incentives and trade promotion initiatives. These efforts helped to bolster certain domestic industries and provided protection against unfair competition. Additionally, advocacy for trade facilitation contributed to improving Nigeria's global competitiveness. Balancing protectionist measures with the need for global competitiveness posed challenges. There were instances where protective policies led to higher costs for consumers and businesses reliant on imported inputs. Institutional Dynamics and Policy Coordination like the role of the National Assembly. Various committees, such as the Committee on Trade and Investment, played a crucial role in reviewing trade policies, holding public hearings, and engaging with stakeholders. Effective policy formulation required collaboration between

the National Assembly and the executive branch, particularly in aligning legislative actions with government strategies. The National Assembly's involvement in legislative processes and oversight ensured that trade policies were more comprehensive and aligned with national interests. There were instances of policy inconsistencies and delays due to the complex interplay between legislative processes and executive actions. Coordination challenges sometimes led to slower implementation of trade reforms. From 2019 to 2023, the National Assembly of Nigeria significantly influenced trade policy through lawmaking, oversight of international trade agreements, and advocacy for both protectionist and competitive policies. Legislative actions such as the Finance Acts and customs reforms helped shape the trade environment, while oversight of AfCFTA ensured that the agreement was implemented in a manner beneficial to Nigeria. Advocacy for domestic industry protection and global competitiveness highlighted the National Assembly's role in balancing economic interests. However, challenges such as policy inconsistencies, implementation delays, and coordination issues affected the overall effectiveness of these legislative actions.

Judicial Review and Legal Framework

Judicial review and the legal framework in Nigeria from 2019 to 2023 played a critical role in shaping trade policies through the interpretation of laws, resolution of trade disputes, and clarification of constitutional matters. Here's an analysis of how judicial decisions influenced the interpretation and implementation of trade policies during this period. Judicial review of tariff adjustments often involved disputes between businesses challenging increased tariffs or regulatory changes imposed by the government. Courts provided clarity on the legality of tariff adjustments and ensured that changes were consistent with both national laws and international trade obligations. This helped in maintaining a balance between protecting domestic industries and complying with trade agreements. There were Customs and Excise Regulations. Disputes between importers and the Nigerian Customs Service over customs duties and clearance processes were frequently brought before the courts. Judicial decisions clarified the application of customs regulations and addressed issues such as procedural fairness and compliance with trade laws. These rulings helped in ensuring transparent and consistent customs practices. Judicial decisions provided clarity on the interpretation of trade regulations and tariffs, which helped businesses understand their rights and obligations. Courts' rulings influenced how trade policies were implemented and enforced, ensuring that executive actions were within legal bounds. There are Constitutional Matters Affecting Trade Policies like the Legality of Trade Policies. The judiciary reviewed the constitutionality of various trade policies and executive orders. This included examining whether certain policies aligned with constitutional provisions on economic rights and federalism. Courts assessed the legality of trade-related executive orders and legislative measures, ensuring they did not infringe on constitutional rights or exceed the powers of the government.

Intergovernmental Disputes are disputes between federal and state governments over jurisdictional issues related to trade policies were also adjudicated. For instance, conflicts over the implementation of trade policies that affected state revenues or local industries.

Judicial decisions clarified the division of powers between federal and state governments, affecting how trade policies were applied and enforced at different levels of government. Court rulings ensured that trade policies adhered to constitutional rights, such as the right to fair economic practices and non-discrimination. Judicial interpretations influenced the implementation of trade policies by defining the scope of federal versus state powers, impacting local regulatory practices and trade administration. Judicial decisions established precedents that influenced how trade policies were interpreted and applied. For example, rulings on tariff disputes or customs regulations set standards for future cases. Courts ensured that trade policies complied with both national laws and international obligations, thereby influencing the design and adjustment of trade regulations. Legal clarity from court decisions helped in aligning trade policies with legal standards, reducing arbitrary or inconsistent policy enforcement. Judicial rulings sometimes prompted legislative or executive adjustments to trade policies to ensure compliance with legal requirements. The judiciary provided oversight on trade policies by reviewing the legality of executive and legislative actions, ensuring that they adhered to legal standards and constitutional provisions. From 2019 to 2023, judicial review and the legal framework in Nigeria played a significant role in shaping trade policies through the interpretation of laws and resolution of disputes. Judicial decisions provided legal clarity and oversight, impacting the implementation and enforcement of trade policies. By addressing disputes related to tariffs, customs regulations, and constitutional matters, the judiciary helped ensure that trade policies were consistent with legal standards and constitutional provisions. This judicial oversight was crucial for maintaining a stable trade environment and guiding policy adjustments in response to legal challenges and interpretations.

Influence of Political Institutions on Investment Policies

From 2019 to 2023, institutional stability and continuity in governance frameworks played a critical role in enhancing investor confidence in Nigeria. This stability provided predictability in the regulatory environment and supported long-term investment planning. Here's an analysis of how these factors contributed to investor confidence during this period: First is the Presidential Stability. The presidency under President Muhammadu Buhari maintained a relatively stable leadership from 2019 to 2023. This stability in executive leadership helped in creating a predictable policy environment. The National Assembly, with relatively stable leadership, contributed to consistent legislative actions and fewer disruptions in policy formulation and implementation.

There were Stable Regulatory Institutions like the Central Bank of Nigeria (CBN). The CBN played a crucial role in maintaining monetary stability and implementing policies that supported investor confidence. The central bank's consistent monetary policy and regulatory oversight contributed to financial stability. Nigerian Investment Promotion Commission (NIPC). The NIPC's continuous efforts to promote and facilitate investments, coupled with its stable institutional framework, provided a predictable environment for investors. Institutional stability reduced the risk of abrupt policy changes or political instability, making it easier for investors to plan and make long-term commitments. A

stable governance framework provided reassurance to both domestic and international investors, leading to increased investment inflows and business activities. The government's focus on diversifying the economy away from oil dependence was pursued with consistent policy measures and strategic plans, reinforcing investor confidence in Nigeria's long-term economic prospects. Long-Term Investment Planning: Investors were more likely to engage in long-term planning and commit significant capital to Nigeria due to the predictability and reliability of governance frameworks. Increased Foreign Direct Investment (FDI): Institutional stability and policy continuity contributed to an increase in FDI, as investors were more confident in the country's economic and political stability. Improved Economic Indicators: Stable governance and predictable policies helped improve key economic indicators, such as GDP growth and investor sentiment, further boosting confidence in Nigeria's investment climate. There were Institutional Reforms and their effects too like Anti-Corruption Measures. Institutional reforms aimed at combating corruption, though challenging, were important for maintaining investor trust. Efforts by institutions such as the Economic and Financial Crimes Commission (EFCC) to address corruption contributed to a more transparent investment environment. Initiatives to streamline business regulations and improve the ease of doing business were part of the governance framework that aimed to enhance investor confidence. Reforms aimed at increasing transparency and reducing corruption helped build trust among investors, contributing to a more favorable investment climate. Continuous efforts to improve regulatory practices and reduce red tape supported a more efficient and predictable business environment. From 2019 to 2023, Nigeria's institutional stability and continuity in governance frameworks significantly enhanced investor confidence. Stable leadership, consistent regulatory institutions, and predictable policy environments contributed to a favorable investment climate. While challenges such as bureaucratic inefficiencies and security issues remained, the overall stability and continuity in governance provided a solid foundation for long-term investment planning and economic growth. These factors collectively helped to attract and retain both domestic and international investors, contributing to Nigeria's economic development during this period.

Regulatory Reforms and Investment Incentives

From 2019 to 2023, Nigeria's political institutions implemented several regulatory reforms and investment incentives to attract Foreign Direct Investment (FDI) in key sectors such as infrastructure, telecommunications, and energy. These efforts aimed to stimulate economic growth and job creation. The Nigerian government advanced Public-Private Partnerships (PPPs) to leverage private sector investment in infrastructure. Reforms included streamlining approval processes and enhancing regulatory frameworks to make it easier for private entities to engage in infrastructure projects. The government promoted the National Infrastructure Master Plan (NIMP) to guide investment in infrastructure development. This plan outlined priorities and investment opportunities in sectors like transportation, power, and water resources. Investment in infrastructure was encouraged through tax holidays and exemptions, particularly for projects under the PPP model. For instance, tax incentives were provided to firms investing in road and rail infrastructure. The Infrastructure Development Fund was established to provide concessional financing for

infrastructure projects, aimed at attracting private investment. These reforms and incentives led to significant foreign investment in Nigerian infrastructure, including new road projects, railway expansions, and port upgrades. Improved infrastructure facilitated economic growth by enhancing connectivity and reducing costs for businesses, contributing to job creation and regional development. In the Telecommunications sector, there were regulatory reforms also. The Nigerian government implemented the National Broadband Plan (NBP) to expand broadband access and improve digital infrastructure. This included regulatory measures to encourage investment in high-speed internet and telecom infrastructure. The Nigerian Communications Commission (NCC) introduced reforms to streamline licensing processes, reduce regulatory barriers, and promote competition within the telecommunications sector. Telecom companies were offered tax incentives, including VAT exemptions on equipment and technology investments, to encourage the expansion of telecommunications infrastructure. The government provided favorable terms for spectrum allocation to attract investment in mobile networks and broadband services. The outcomes were enormous like enhanced connectivity. The regulatory reforms and incentives resulted in expanded broadband coverage and improved telecommunications infrastructure, boosting digital inclusion and supporting the growth of the tech sector. Significant Foreign Direct Investment (FDI) flowed into Nigeria's telecommunications sector, leading to advancements in network technology and service delivery. In the Energy sector, there were also regulatory reforms like the Electricity Act Reforms. Reforms to the Electricity Power Sector Reform Act (EPSRA) aimed to enhance the sector's regulatory framework, improve the efficiency of power distribution, and encourage private sector participation. The government introduced policies to promote renewable energy investments, including the Renewable Energy Action Plan (REAP) and supportive regulatory measures to facilitate the development of solar, wind, and other renewable energy sources. There were Tax Incentives for Energy Projects. Companies investing in energy infrastructure, especially renewable energy projects, were granted tax holidays and investment allowances. This included incentives for solar farms, wind turbines, and hydroelectric power plants. Also there were Feed-in Tariffs and Power Purchase Agreements. The government provided guaranteed pricing through feed-in tariffs and power purchase agreements to ensure stable returns for investors in the energy sector. The outcome was Increased Investment in Energy. The reforms and incentives led to increased FDI in both traditional and renewable energy projects, contributing to the diversification of Nigeria's energy mix and improving energy access. Enhanced energy infrastructure supported industrial growth and reduced energy deficits, while renewable energy projects contributed to environmental sustainability. Institutional Dynamics and Policy Coordination has key Institutions of Federal Ministry of Industry, Trade and Investment (FMITI). FMITI played a central role in designing and implementing investment policies and regulatory reforms across various sectors. Nigerian Investment Promotion Commission (NIPC) facilitated foreign investment by providing information, support services, and incentives to investors. In the area of Inter-agency collaboration, successful implementation of regulatory reforms required coordination between various government agencies, including those responsible for finance, trade, and sector-specific regulatory bodies. The government engaged with private sector stakeholders to understand

their needs and incorporate feedback into policy design, ensuring that reforms were practical and effective. From 2019 to 2023, Nigeria's political institutions introduced various regulatory reforms and investment incentives aimed at attracting FDI in critical sectors such as infrastructure, telecommunications, and energy. Reforms included enhanced PPP frameworks, updated regulatory measures, and improved licensing processes. Investment incentives such as tax breaks, grants, and favorable terms for spectrum allocation and energy projects further encouraged foreign investment. These efforts led to increased foreign investment, improved infrastructure, expanded telecommunications, and a more diversified energy sector, contributing to economic growth and job creation. However, effective implementation depended on institutional coordination and addressing sector-specific challenges. Overall, these initiatives played a significant role in enhancing Nigeria's attractiveness as an investment destination and supporting long-term economic development.

Path Dependence and Policy Continuity

The role of historical institutional legacies and past policy decisions in shaping current trade and investment policies, highlighting challenges and opportunities for institutional reform and adaptation. Path Dependence and Policy Continuity reflect the influence of historical institutional legacies and past policy decisions on current trade and investment policies. In Nigeria, from 2019 to 2023, these factors significantly shaped the country's trade and investment landscape. Here's a detailed analysis of how historical legacies influenced policy continuity, the challenges faced, and the opportunities for institutional reform and adaptation:

Nigeria's colonial history established trade patterns and regulatory frameworks that continued to influence its post-independence trade policies. Historical emphasis on oil exports and import dependency created a legacy that affected policy priorities and economic diversification efforts. Past economic policies, including import substitution strategies and state-led industrialization, have shaped current trade and investment approaches. Historical policies established frameworks for trade protectionism and state intervention that influenced contemporary policy decisions. There are so many impacts on current policies like Oil Dependence. The legacy of heavy reliance on oil exports influenced Nigeria's trade policies and investment priorities, often prioritizing oil sector development over diversification into other sectors. Historical regulatory practices, including bureaucratic procedures and state controls, continued to affect the ease of doing business and investor confidence. Regulatory Inertia of bureaucratic processes like existing bureaucratic structures and regulatory processes, shaped by historical practices, often resulted in slow decision-making and resistance to reform, impeding the implementation of new trade and investment policies. Long-standing institutions, such as the Nigerian Customs Service and various regulatory bodies, faced challenges in adapting to modern trade practices and international standards due to entrenched practices and resistance to change. Nigeria has policy inconsistencies. In the historical policy conflicts, past policy decisions sometimes conflicted with new trade and investment strategies. For example, protectionist policies and tariffs from earlier eras occasionally clashed with recent efforts to promote free trade and regional integration. Historical issues, such as corruption and

inconsistent policy enforcement, continued to affect the investment climate, making it difficult to fully realize the benefits of new policies. The legacy of oil dependency created a challenge in shifting focus to other sectors, such as agriculture and manufacturing. Historical underinvestment in non-oil sectors limited the effectiveness of recent diversification efforts. Nigeria has opportunities for Reform and Adaptation using Institutional Reform like Modernizing Regulatory Frameworks. There was an opportunity to modernize regulatory frameworks by updating laws and procedures inherited from past policies. Efforts to streamline customs processes, reduce bureaucratic red tape, and improve regulatory efficiency aimed to address historical inefficiencies. Investing in institutional capacity building, including training and technology upgrades, provided an opportunity to overcome legacy issues and adapt to contemporary trade and investment needs. Aligning current policies with international best practices and standards, such as those set by the WTO and regional agreements like AfCFTA, provided a pathway to overcome historical barriers and integrate more effectively into the global economy. There was an opportunity to build on past experiences by promoting sectors outside oil, such as technology and agriculture. Implementing policies that encourage investment in these sectors could diversify economy, help reduce dependency on oil and foster economic resilience. Engaging actively in regional integration efforts, like ECOWAS and AfCFTA, allowed Nigeria to adapt its policies in alignment with regional goals, benefiting from shared economic growth and investment opportunities. From 2019 to 2023, Nigeria's trade and investment policies were heavily influenced by historical institutional legacies and past policy decisions. Path dependence created challenges such as regulatory inertia, policy inconsistencies, and difficulties in economic diversification.

Institutional Change and Adaptive Governance

The researcher analyzed how political transitions, governance reforms, and external shocks (e.g., global economic downturns, political transitions) influenced adaptive responses in trade and investment policies, illustrating the resilience and adaptability of political institutions in Nigeria. Between 2019 and 2023, Nigeria experienced various political transitions, governance reforms, and external shocks that influenced its adaptive responses in trade and investment policies. Analyzing these factors provides insight into the resilience and adaptability of Nigerian political institutions during this period. In political transitions, the presidential elections of 2019 Presidential Election, President Muhammadu Buhari was re-elected in 2019, maintaining political continuity. This stability allowed for the continuation of existing trade and investment policies and reforms initiated during his first term. There was Pre-Election Uncertainty. The period leading up to the election was marked by political uncertainty, which impacted investor confidence. However, once Buhari secured his second term, policies continued with a focus on infrastructure and diversification. The re-election of Buhari ensured continuity in trade and investment policies. The administration continued its focus on infrastructure development, anti-corruption efforts, and economic diversification. Political stability helped maintain investor confidence, despite some challenges related to policy implementation and economic conditions. There were Anti-Corruption and Economic Reforms. Economic Recovery and Growth Plan (ERGP), launched in 2017 and extended through 2019,

continued to guide economic policies, including efforts to improve the business environment and attract investment. Reforms in the financial sector aimed to improve transparency, reduce corruption, and enhance regulatory frameworks. This included efforts to strengthen the Central Bank of Nigeria (CBN) and improve the banking sector's resilience. Governance reforms led to improved regulatory environments, including more transparent procedures and better enforcement of trade regulations. This helped enhance the ease of doing business in Nigeria. Reforms aimed at improving institutional capacity contributed to more effective policy implementation and adaptive responses to economic challenges. External Shocks issued with global Economic Downturn, COVID-19 Pandemic. The global pandemic, starting in early 2020, had a significant impact on Nigeria's economy. The pandemic led to a decrease in oil prices, disruption of global supply chains, and economic contractions. In response, the Nigerian government introduced measures to support businesses and mitigate economic impacts, such as stimulus packages, adjustments to trade policies, and efforts to boost local production. There were global Oil Price Fluctuations or Oil Price Crises. Nigeria faced fluctuations in global oil prices, which affected government revenue and economic stability. The government's response included efforts to diversify the economy and reduce reliance on oil exports. The Nigerian government implemented various stimulus measures, including support for affected sectors and initiatives to promote domestic manufacturing and agriculture. Nigeria adapted its trade and investment policies to address the challenges posed by global economic downturns and external shocks. This included revising trade regulations and focusing on enhancing local production capacities. There was resilience and adaptability of Political Institutions under institutional responses like in policy innovation. Nigerian political institutions demonstrated resilience by innovating policies to respond to external shocks. This included promoting local content and supporting industries affected by global disruptions. Institutions engaged in public-private partnerships to leverage private sector investment and expertise in addressing infrastructure and economic challenges. From 2019 to 2023, Nigeria's trade and investment policies were shaped by political transitions, governance reforms, and external shocks. The re-election of President Buhari provided policy continuity, while governance reforms aimed at improving regulatory frameworks and institutional capacity. External shocks, such as the COVID-19 pandemic and global oil price fluctuations, required adaptive responses, including economic stimulus measures and policy adjustments.

Summary

Influence of political institutions in Nigeria on trade and investment policies from 2019 to 2023 reveals a complex landscape characterized by significant disparities, challenges, and some progress towards political institution's role on trade and investment policies. This summary encapsulates the key findings and insights derived from the study. The study explored how political institutions in Nigeria influenced trade and investment policies from 2019 to 2023, employing Institutional Theory and a secondary research approach. Political institutions, including the presidency, legislature, and judiciary, played pivotal roles in shaping economic policies through leadership, legislative oversight, and legal frameworks. Key findings revealed that presidential initiatives focused on export

promotion and regional integration, while the National Assembly enacted laws to protect domestic industries and enhance global competitiveness. Judicial decisions provided legal clarity and oversight, impacting policy implementation.

By applying Institutional Theory to analyze the political institutions influence on trade and investment policies in Nigeria from 2019 to 2023, this study provides valuable insights into the dynamics of policy formulation, implementation, and adaptation within Nigeria's political landscape. The findings underscore the importance of institutional stability, regulatory clarity, and adaptive governance in fostering sustainable economic development and attracting investments. This research contributes to the broader understanding of political economy, institutional analysis, and policy formulation in developing countries, offering practical implications for policymakers, business stakeholders, and scholars interested in Nigeria's economic governance and policy dynamics. This approach ensures a rigorous examination of the subject matter using existing data and scholarly insights, providing a nuanced understanding of the intricate relationships between political institutions and economic policies in Nigeria.

In the Investment Promotion Strategies, the examination of government-led initiatives to promote investment in infrastructure projects, agriculture, and technology hubs was influenced by political leadership and institutional capacity.

There was Nigeria's adoption of international trade norms and best practices under the influence of global institutions (e.g., WTO) and regional economic integration efforts (e.g., AfCFTA). Then the role of historical institutional legacies and past policy decisions in shaping current trade and investment policies, highlighting the challenges and opportunities for institutional reform. Institutional Change and Adaptation also came into play and the analysis of how political transitions, governance reforms, and external shocks (e.g., COVID-19 pandemic) influenced adaptive responses in trade and investment policies. The study thereby illustrates how political institutions in Nigeria from 2019 to 2023 have significantly shaped trade and investment policies through leadership, legislative oversight, and legal frameworks. By applying Institutional Theory, the research underscores the importance of institutional stability, regulatory clarity, and adaptive governance in fostering sustainable economic development and attracting investments. The findings contribute to the broader discourse on political economy, institutional analysis, and policy formulation in developing countries.

Conclusion

Political institutions influence in Nigeria on trade and investment policies from 2019 to 2023. The research on Influence of political institutions in Nigeria on trade and investment policies from 2019 to 2023 highlights a nuanced and challenging landscape marked by significant role of political institutions on trade and investment. The study elucidates how political institutions in Nigeria from 2019 to 2023 significantly influenced trade and investment policies.

Leveraging Institutional Theory, the research highlighted the roles of presidential

leadership, legislative oversight, and judicial review in shaping policy outcomes. Despite challenges, including regulatory complexities and political transitions, Nigeria's institutional framework demonstrated adaptability and resilience. Moving forward, sustaining institutional stability, enhancing legislative capacity, and promoting policy coherence are essential for fostering sustainable economic growth and attracting investments. This study contributes to understanding the dynamic interactions between political institutions and economic policies in Nigeria, offering insights for policymakers, stakeholders, and scholars interested in enhancing economic governance and policy effectiveness in developing countries.

Recommendations

Based on the research findings political institutions influence in Nigeria on trade and investment policies from 2019 to 2023, several recommendations emerge to address the role of political institutions on trade and investment policies. These recommendations could delve several areas to address emerging questions and deepen understanding. There is need to enhance institutional coordination. Collaboration between political institutions should be strengthened to ensure coherent policy formulation and implementation, avoiding regulatory inconsistencies and enhancing investor confidence. Legislative Capacity Building should be promoted. Investment should be made in legislative capacity building to empower the National Assembly in effectively overseeing trade agreements, promoting fair trade practices, and ensuring alignment with international standards. Policy Stability has to be sustained. Institutional stability through predictable regulatory frameworks and long-term policy commitments should be fostered to mitigate risks associated with political transitions and enhance Nigeria's attractiveness as an investment destination. This summary, recommendations, and conclusion encapsulate the key findings and implications of the study on the influence of political institutions on trade and investment policies in Nigeria from 2019 to 2023, emphasizing the significance of institutional stability and governance in economic development.

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