

FOREIGN INVESTORS AND EASE OF DOING BUSINESS WITH MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs) IN NIGERIA

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Abstract

Business environment in Nigeria might be a challenge to even foreign investors in Nigeria. This study was an attempt to probe the touted improvement in ease of doing business in the 21st century Nigeria. Critical research method was adopted to analyze relevant literature information and reports on events around the country. Results show that foreign investors get frustrated with Nigeria's brand of ease of doing business. A major setback and deficiency in communication flow between government agencies and foreign investors exists. This impairs conduct of enquires that can lead to decision on launching out to Nigeria with foreign investment. Most Nigerian ministries, departments and agencies (MDAs), which are repositories of vital investment information, lack functional information communication technology (ICT) facilities, such as telephone lines, website and emails. Less than 30 percent of MDAs have functional website and e-mails in Nigeria. The study recommends ways MDAs overcome their communication challenges.

Keywords: Ease of doing business, Nigeria, Foreign investors, ICT facilities.

Introduction

Despite all the tauted efforts by successive governments in Nigeria to improve the ease of doing business in the country and thereby attracting foreign direct investments, Nigeria ranked 120 out of 190 countries in ease of doing business in 2008. The position degenerated 145 in 2017, 169 in 2016, and to 170 in 2014. Thus, the level of calmness, comfort, composure, contentment, encouragement, enjoyment, happiness, freedom, peace of mind and infrastructural facilities, both human and material resources, government policies and programmes that drive a business and attract investors to an environment, as reflected by ease of doing business, are grossly lacking from 2008 to 2018 in Nigeria (<https://tradingeconomics.com/nigeria/easeofdoingbusiness>). The report further explains that the level of benefits and gains an investor deserves from government policies, programmes, and clarification in order to run a business transaction and exploration in a country are least encouraging. There is little ease of doing business reflected by the level of freedom, liberty, effortless, and encouragement an investor desires in starting a business or company in a country. The ease of doing business in a country can be harsh, difficult and discomfort or it can be effortless, and simple.

This study is an attempt to probe the sincerity in beckoning on foreign investors to come to Nigeria with much-tauted improvement in ease of doing business in the 21st century Nigeria. The research adopted the critical study method to examine the relevant information and reports in the literature concerning the country's ease of doing business.

Ease of doing business environment in Nigeria

Businesses thrive on communication, which is the process of exchanging ideas and feelings or giving people business information or

clue, advice, data, enlightenment, input, knowledge, message, news and reports to guide ventures to success. For investors to explore the benefit of communication in Nigeria from our government ministries, departments and agencies, all channels of communication needs to be open and every Nigerian government staff should always have good communication skills. Poor communication between investors and MDAs sometime hinders foreign investors and government MDAs. Facilities and skills for regular communication in speech, letter, telephone, radio, computer, website, email, and others often lack in Nigerian MDAs. This hinders investment, progress and development. Likewise, good roads, railways, waterways, which will improve communication links between investors and government MDAs are also in short supply (Ezinwa, 2015).

Exploring effective communication skills and technology will help sustain development and good governance in Nigeria. Today in Nigeria, how many government ministries, departments and agencies and foreign investors communicate regularly with foreign investors to have a good relationship so that the country will easily attracts foreign investment to enhance employment generation, growth and development (Ezinwa, 2015).

Some of the specific challenges faced by foreign investors in Nigeria regarding the ease of doing business environmentt in the country are discussed below, with emphasis on MDAs in the 21st century Nigeria. The national drive by the federal government to diversify the Nigeria economy from non-oil sector by encouraging ease of doing business to foreign investors in order to ease the burden of doing business in Nigeria in the recent history of our country suffers a serious setback and short coming due to a major hinderance in communication flow between government ministries, departments and agencies and foreign investors who may want to conduct enquires before making up their minds on whether or not to invest in Nigeria.

According to Daniel and Ujah (2017), most Nigerian MDAs, which are the repositories through which foreign investors could access basic investment information about the country, do not have

functional phone lines, websites and e-mails, despite the huge budgetary provisions for telephone and internet services yearly. Three (3) telephone mainlines were available per 1,000 persons in 1990 in Nigeria. The figure was 9 per 1,000 persons in Nigeria in 2005. There was no cellular subscriber per 1,000 persons in Nigeria in 1990. In 2005, there were 141 cellular subscribers per 1,000 persons in Nigeria. Similarly, there was no internet user per 1,000 persons in Nigeria in 1990. In 2005, there were 38 internet users per 1,000 persons in Nigeria (Jhingon, 2007; UNDP, 2007; Eneh, 2011a).

Most of the MDAs still list non-functional phone numbers as their means of contacts on their wobbling websites. Apart from parading dead telephone lines, many other government agencies do not border to indicate their telephone lines on their websites as obtains in other countries. Further findings shows that where such MDAs indicate any telephone number at all on their websites, the numbers are either not working or cannot be connected to any of the networks currently in operation in Nigeria.

As Daniel and Ujah (2017) aptly pointed out, of all the federal ministries surveyed, only the Foreign Affairs Ministry provides a GSM number: 08038883494, which however, does not ring either in the day or night, thereby rendering it useless to local and international inquires. The Nigerian Investment Promotion Commission, NIPC, at plot 1181, Aguiyi Ironsi Street, Maitama District, provides two telephone lines on its websites: +234(0)92900059, +234(0)92900061, but neither of the two lines was working. The two lines report that they had been switch off, when dialed. Likewise, the Nigerian Customs Service, NCS, has this line: 09-5234694 as belonging to its Public Relations Officer, PRO, but the same line is meant for facsimile service, which unfortunately does not work. A call to the line returns a troubling answer, “The number you have called does not exist.” Three other lines provided by the NCS for people to report any activity of smugglers to the agency were given as 094621597, 094621598 and 094621599. Each of them ring, but plays music at the background with nobody answering from the NCS.

The Nigerian Immigration Service, NIS, which is expected to prepare visas for foreigners and investors at a fast rate under the new dispensation, presents a phone number on its website: phone: +234-9-7806771. When dialed, the numbers kept turning in the message, “The number you are calling does not exit.” The Nigerian National Petroleum Corporation, NNPC, which is the major revenue generator for Nigeria, has inexplicably not provided any telephone contact on its website. It simply says on its contact page: Corporate Headquarters, NNPC Towers, Central Business District, Herbert Macaulay-Way, P.M.B 190, Garki, Abuja. General Inquires: Please fill out contact from below or e-mail us at contactus@nnpcgroup.com. For website problems, please contact the webmaster at webmaster@nnpcgroup.com

The Nigerian Tourism Development Corporation, NTDC, which is expected to attract visitors and in the process generate revenue for the country, had this non-functional line: +23492342764, as its major contact on its website – www.tourism.gov.ng. The contact line kept saying the number does not exist despite repeated dials. NTDC does not have a running website. A search on its website address returns: “The account has been suspended, please contact your host.”

In the Ministry of Power, Works and Housing, there was no functional telephone number listed on its website. The only semblance of what appears as a contact telephone symbol on the ministry’s website is: via phone: 234xxxxxx...

In the Federal Ministry of Industries, Trade and Investment, which is supposed to serve as the coordinating agency for investment drive into the country, a symbolic Nigeria telephone code is the only item placed where a telephone number should appear on the website of the ministry. It has the symbol: phone: +234 NGERIA.

The strategic Ministry of Mines and Steel lists a line: +23495239064, which returned frightening response: “The number you have called does not exist, please check the number and dial again.” The same scenario and problem of non-functional website, e-

mail and telephone afflicts the Ministry of Interior, Ministry of Agriculture and Rural Development, and the Ministry of Fiancé. Their phone numbers do not exist.

Beyond the telephone line problem which afflicts virtually all the MDAs in Nigeria, the updating of vital information on their websites remain another source of concern. Information is not regularly updated on most of the MDA websites. Their websites are not current and always down with error 404 showing up whenever one tries to access it for any purpose and no explanation given for such a flop. The website of the Ministry of Labour and Productivity and the Federal Ministry of Information and Culture do not have any telephone contact to assist anyone to get prompt access to any top officials of the ministries. The ministers and their heads always answer any phone call on their private mobile phones. It is also interesting to note that many ministers only pick and answer callers who are known to them, and therefore, shut out genuine information seekers for investments or any other official purpose.

The Ministry of Health and the Ministry of Education have not bothered to put a telephone symbol or any number on their websites. The saving grace for the Ministry of Health is that the minister picks and responds to text messages. He also responds to Tweets and Facebook enquires of those looking for information about his ministry.

According to the Director General of National Information Technology Development Agency, NITDA, Pantami, less than 30 percent of government MDAs have functional website in Nigeria and only 25 percent of the MDAs have functional mobile phone numbers across the country. The assessment was carried out in compliance with the executive order on the promotion of transparency and efficiency in the business environment, which is designed to facilitate the ease of doing business as it relates to the use of ICT for efficient service delivery in Nigeria.

According to the Minister of Communication, Shittu, financial institutions, government MDAs as well as other affiliated institutions, have become the targets of cyber criminals in the country. With over

N78 billion being lost annually to activities of cyber criminals, the federal government stepped up efforts to tackle cyber crimes through legislation and collaboration with the private sector to earn the trust of foreign investors with Nigeria government MDAs.

Reports (see Chizea, 2017; Obioma, 2017; Okeke, 2017; Onwuamaeze, 2017; Ochai, 2017 a,b,c; Shola, 2017; Soni et al, 2017) agree with findings on ease of doing business environment in Nigeria. Policy summersault leads to abandonment of development projects, visions and programmes. Political leaders need to be sensitized on putting society interest first and committing to development visions and programmes (Eneh, 2011b).

Strategies to help MDAs overcome their communication challenges in the 21st century are hereunder proffered as strategies to help investors to overcome the challenges of communication barriers with government MDAs in the 21st century.

- The government should have an assessment and records of shortening of all government ministries, departments and agencies websites, and e-mails, on the promotion of transparency and efficiency in the business environment, which is designed to facilitate the ease of doing business in Nigeria as it relates to the use of ICT for efficient service delivery; to boost foreign and local investors morale in doing business in Nigeria.
- The federal government and the ministry of industries, trade and investments should take concrete steps to address the identified lapses so as to curb investor's communication challenges with government ministries, departments and agencies, MDA, in Nigeria in the 21st century.
- The federal government should urgently direct all ministries, departments and agencies, MDAs, to update their websites.
- The federal government should also direct the ministry of communications and galaxy backbone to partner with the MDAs to improve the communication channels with investors to ensure the ease of doing business in Nigeria.

- The Ease of Doing Business Secretariat (EDBES), Servicomas well as consultants should roll out massive support programme to help MDAs overcome their communication challenges and keep them up to date in terms of communicating with the world at all times.
- The federal government effort to seek \$550 million loan from China to acquire more satellites is a welcome development to overcome the challenges of MDAs communication hurdle with foreign investors. The minister of communication, Adebayo Shittu, who disclosed this while presenting a three page communiqué issued at the need of a weeklong, 4th regular meeting of the National Council on communication held at Arewa House, Kaduna said negotiations had reached an advanced stage on the deal. The procurement of SAT2 and SAT3, the minister said, was necessary considering the fact that Nigeria is losing billions of dollars yearly because it had only one satellite in the orbit. Nigeria companies and government ministries, departments and agencies are patronizing foreign satellite firms as a result of this risk for the safety of their data and security of other services provided by them thereby exporting jobs to other countries at the detriment of Nigeria (Ochai, 2017 a,b,c).

Conclusion

If the federal government provides an effective website and telephone communication channels in almost all the MDAs in the country, it will improve the ease of doing business in Nigeria, by enhancing communication flow between government agencies and foreign investors who may want to conduct enquires before making up their minds on whether or not to invest in Nigeria. Functional telephone lines in government MDAs will encourage foreign investors to access vital investment information about the country. It will also help government recent steps to diversify the economy beyond crude oil dependence to other alternative services for income and employment generation in the economy. Non-functional phone numbers and wobbling websites in government MDAs frustrates foreign investors against investing in Nigeria. The recent step taken by the government to

reform the economy and promotion of transparency and efficiency in the ease of doing business environment is a welcome development. It was designed to facilitate the business environment in Nigeria as it relates to the use of ICT for efficient service delivery. If foreign investors are attracted into Nigerian economy, it will have an accelerated and multiplier effect and contribution to the nation's economic growth. ICT development in government MDAs is aimed at fostering intellectual and professional development in our economy. It will further create a platform for networking and exchange of ideas between industries operating in MDAs and critical stakeholders in the nation's economy. With the participation for foreign investors in our MDAs, it will centrally upscale the knowledge of staff service and other professional in the MDAs as well as other stakeholders about contemporary dynamics in the country and the globe generally.

Recommendations

- ✓ This paper has come up with the following recommendations to enhance foreign investor's Ease of Doing Business with most Nigerian government Ministries, Departments and Agencies (MDAs) in the 21st century.
- ✓ The Federal Government should increase its budgetary provision for telephone and internet services yearly, to all the Ministries, Departments and Agencies to effectively open up the channels of communication between the foreign investors and the MDAs. And to remove the challenges of foreign investors ease of doing business in Nigeria.
- ✓ The Federal Government economic plan of diversifying the economy of Nigeria beyond crude oil dependence to other sectors of the economy, such as, agriculture, manufacturing, mining tourism etc. and encouraging and transforming all the government Ministries, Departments and Agencies to catch up with world best practices and ease of doing business in Nigeria are capable of attracting foreign investors into the country that will ensure revenue and job creation.

- ✓ The Federal Government should highlight the catalytic roles of foreign investors and supporting the MDAs with websites and latest internet services to communicate effectively with foreign investors as well as other stakeholders about contemporary dynamics in the economic development of the country and the globe generally.
- ✓ The national drive of the Federal Government to establish ICT University of Nigeria is a welcome development which will help to eradicate the lack of adequate skills ICT suffers in government Ministries, Department and agencies MDAs, it is a development that will help build a dynamic and flourishing global ICT trend among Nigerian workers and intellectuals and industry to grow robustly.
- ✓ The Federal Government should urgently put in place conscious policy strategies with the context of a nationally and globally defined agenda for sustainable ICT development, to enhance the talents of MDAs staffs and specialist across a range of all sectors as it would continue to grow, as the country tried to meet the rising demand in the emerging digital economy.
- ✓ The government should make young Nigerian workers and students at various level in the MDAs to embrace ICT as it is of interest to note that the ICT industry and future is both promising and flourishing even though, the local industry has continued to suffer from skills shortage. With nowhere near enough professional to meet the demand for critical role being created as a result of rapid technological development.
- ✓ The federal government should also encourage state government to purchase satellite bandwidth requirements from NIGCOMSAT Ltd to boost their MDAs communication channel to attract foreign investors.
- ✓ The Nigerian government should endeavor to develop an ICT roadmap 2016-2019 as well as the national ICT strategic plan 2016-2024 for implementation (Shittu, 2017) the federal government should also adopt and implement the e-government master plan as well as the creation of state computer emergence response term as

measures to mitigate cyber security threats in the country and states should also implement digital job initiative in their respective domains as a means of leveraging the opportunities for alternative income presented to Nigeria youths across the country. This will also help create innovative hubs and ICT centers to accelerate the diversification of the Nigerian economy (Shittu, 2017)

- ✓ The federal government should encourage government Ministries, Department and Agencies MDAs to digitized their records and also adopt Nigeria's software in the process to ensure guidelines for Nigerian contact in ICT. Likewise, the federal government to encourage State Government to establish State Information Technology Department Agency (SITDA). This will go a long way to encourage foreign investors to do business with state ministries departments and agencies, this will ensure development, growth and progress of the Gross Domestic product in the country at large.
- ✓ According to the MTN boss in Nigeria, Moolman (2017), to encourage foreign investors and ease of doing business with the MDAs, MTN has been privileged to contribute to the development of ICT since 2001 when the right enabling environment was created by the federal government to attract investment into the telecoms industry. Moolman (2017) said that the MTN Nigeria is also proud to have been given the opportunity to play a leading role in the important sector. "Globally, Foreign Direct Investment (FDI) are motivated by the opportunities and enabling environment which the host country provides. MTN's success was indeed a catalyst for many other international companies to invest in Nigeria.

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