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Research Article

AN ANALYSIS TO TACKLE CRITICAL ISSUES IN ECONOMIC AND DEVELOPMENT MATTERS

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ABSTRACT

A discussion of the research undertaken by Omolara Adebimpe Adekanbi which aims to provide solutions to Mexico and Nigeria's economic and social challenges. The study conducts a thorough comparative analysis of economic growth and development trajectories in Mexico and Nigeria from 1970 to 2018. Drawing on frameworks from esteemed scholars like Amartya Sen and Paul Collier, it examines the influence of policies and economic factors such as government spending, foreign direct investment (FDI), external debt, interest rates, and welfare spending. Furthermore, the research delves into pressing societal issues, including poverty, violence, and infrastructure disparities, offering a comprehensive perspective on the socio-economic conditions in both nations. Let us dissect the new contribution of the research to the ongoing attempts to froster growth and development in Mexico as well as Nigeria.

KEYWORDS

Policy Evaluation, Economic Growth, Development, Mexico.

INTRODUCTION

A New Evaluation Technique

In the research, Adekanbi (2024) employed a comprehensive and structured methodology to assess policy effectiveness in Mexico and Nigeria, integrating quantitative and qualitative techniques. A multiple regression model forms the basis of the analysis, with Gross National Income (GNI) as the dependent variable

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and key macroeconomic factors—interest rates, FDI, external debt, government expenditure, and income levels—as independent variables. Structural change detection analysis was used to identify periods where policy shifts had significant impacts on GNI before running a regression analysis for the relevant years. This combination of structural change detection and targeted regression analysis enables the identification of specific timeframes when policies or economic changes significantly influenced economic indicators, enhancing the study's precision and reliability.

FINDINGS AND RECOMMENDATIONS

The study highlights significant differences in how key variables influence economic growth in Mexico and Nigeria. For example, while external debt has a negligible and statistically insignificant effect on Mexico's GNI, it demonstrates a substantial positive impact on Nigeria's GNI. Similarly, foreign direct investment (FDI) contributes more significantly to Nigeria's economic expansion than Mexico's, whereas government expenditure positively affects growth in both countries, with a much larger impact in Mexico.

Based on these findings, the study offers several actionable recommendations, and identifies notable differences in how key variables influence economic growth in Mexico and Nigeria. External debt, for instance, has a negligible and statistically insignificant effect on Mexico's GNI, whereas it demonstrates a substantial positive impact on Nigeria's GNI. Similarly, foreign direct investment (FDI) contributes more significantly to Nigeria's economic expansion than to Mexico's, suggesting the need for targeted investment strategies. Meanwhile, government expenditure positively affects growth in both countries, though its impact is much larger in Mexico. These findings provide a foundation for actionable recommendations tailored to each country's economic landscape.

For Nigeria, adopting Mexico's structured debt management practices could improve economic stability. This includes leveraging domestic bonds and prioritizing debt-for-equity swaps. Additionally, investing in foreign bonds, as Mexico did with U.S. bonds, could mitigate risks associated with external debt dependency. On FDI, Nigeria should strengthen its policies by offering tax incentives, streamlining technology transfer agreements, and fostering collaborations between local and foreign enterprises to encourage long-term investments. Mexico, in turn, could enhance its domestic companies' ability to leverage FDI for skills development and innovation transfer, increasing its impact on economic growth.

Government expenditure on welfare and education is emphasized as critical for both countries. Nigeria is encouraged to adopt Mexico's Progresa model, which effectively channels welfare funds to reduce poverty. To further enhance transparency and accountability, an online platform could be introduced to track government expenditures, including budget allocations, contractor details, and project timelines.

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These measures would help combat corruption and improve public trust in governance.

In addressing unemployment, Nigeria could benefit from policies modeled on Mexico's successful initiatives, such as action plans during economic emergencies and tax reforms on personal income and capital gains. Establishing an unemployment fund and incentivizing formal employment within the informal sector could also stabilize income levels and create job opportunities. For both countries, targeted employment policies would play a significant role in fostering economic resilience.

Education is another critical area where investment is needed. Recognizing the lagged benefits of education, Nigeria should prioritize long-term investments in primary and secondary education while aligning tertiary education with labor market demands. Mexico, on the other hand, could focus on aligning school curriculums with industry requirements to improve job readiness and address skill gaps in its labor force.

Finally, addressing violence and insecurity is essential for sustainable growth. Nigeria could adopt Mexico's localized security funding approach and implement targeted anti-violence initiatives in high-conflict regions. Additionally, providing economic alternatives, such as job training programs and microloans for vulnerable communities, could help reduce crime rates. Both countries would benefit from investment in anti-violence programs and localized security solutions to mitigate the socio-economic impact of insecurity.

These recommendations offer a roadmap for addressing each country's unique challenges while promoting economic stability and sustainable development. By leveraging these strategies, policymakers can effectively address key areas of concern and foster long-term growth. These recommendations aim to address each country's unique economic and social challenges while offering a pathway to sustainable development.

CONCLUSION

The Mexican government would benefit from adopting this research as a handbook for governance, given its practical, data-driven approach to solving developmental challenges. The complete research has been compiled into a book titled Mexigeria, which serves as a comprehensive resource for policymakers. Overall, this article makes a significant and insightful contribution to the discourse on economic growth in developing nations. Its rigorous methodology, coupled with actionable recommendations on welfare policies, transparency, and debt management, provides a valuable roadmap for addressing developmental disparities between Mexico and Nigeria. Furthermore, its recommendations hold broader applicability for other nations facing similar challenges, positioning the work as a critical tool for sustainable development.

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