

APPRAISING THE GOVERNMENT POLICIES FOR ATTRACTING INVESTMENT AND PROMOTING EASE OF DOING BUSINESS IN NIGERIA (2015-2025)

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ABSTRACT:

Nigeria economy possesses the largest market in Africa and presents huge opportunity for investors for the sale of their products. However, the difficult of doing business in Nigeria had gained currency in national discussion in the last decade. This is because the ease of doing business report developed by World Bank, that scores and rank countries based on how easy it is to set up and operate business has been very poor in area of productive sectors of the economy. This study explores and appraises government policies designed to attract investment and promote the ease of doing business in Nigeria from 2015 to 2025, using a qualitative research approach. Data for the study were collected through in-depth interviews with key stakeholders, government officials, policy experts, business owners, and representatives of investment promotion agencies. Document analysis of policy papers, reports, and regulatory guidelines was conducted to provide contextual understanding. The findings reveal that while certain reforms have led to noticeable improvements, particularly in reducing administrative barriers and fostering public-private dialogue, their impact remains uneven across sectors and regions. Institutional weaknesses, lack of continuity in policy implementation, and limited stakeholder engagement were identified as recurring constraints. The study concludes that sustained progress in attracting investment and improving business environment in Nigeria depends on strengthening institutional capacity, ensuring policy coherence, and deepening stakeholder participation in the reform process. It recommends a more inclusive and transparent policy framework that reflects the lived experiences of investors and entrepreneurs, particularly at the *subnational level*.

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Introduction

Nigeria has one of the largest free market economies on the African continent and most of the economic activities occurs in Lagos, Abuja, Kano, Port Harcourt, Ibadan, Kaduna, Enugu, Warri, Calabar, Aba, Nnewi, Onitsha, Eket and in some other State's capital (UHY, 2018). Nigeria is a mixed economy, with expanding manufacturing, financial service, telecommunications, technology and entertainment sectors. It ranked as the 25th largest economy in the World in term of nominal gross domestic product (GDP), and the 21st largest in term of purchasing power parity, (Nwobashi and Elechi, 2019). Nigeria, as Africa's most populous nation, has long been regarded as a land of vast potential for both domestic and foreign investors. However, the nation's investment climate and business environment have been subject of various challenges and confusion that warrant interrogation, assessment and appraisal. These challenges are huge and worrisome.

In the last ten years, Nigerian government has implemented a series of policy reforms aimed at stimulating economic growth, attracting both foreign and domestic investment, and improving the overall business environment. These efforts is marked by significant political, economic, and regulatory developments. The rationale behind these reforms stems from Nigeria's urgent need to diversify its economy away from over-dependence on oil, boost industrial productivity, generate employment, and enhance its global competitiveness. One of the core strategic responses has been the promotion of the *Ease of Doing Business* agenda, championed by the Presidential Enabling Business Environment Council (PEBEC), established in 2016. The Council has overseen a range of initiatives, including the streamlining of business registration processes, reduction of bureaucratic bottlenecks, digitization of government services, and improvements in regulatory transparency. Complementary to these efforts, governments have also introduced various investment-friendly policies such as tax incentives, infrastructure development plans, public-private partnerships, and the establishment of special economic zones. However, despite several efforts of government, the business environment is still confronted with myriads of challenges that are unpalatable to ease of doing business (Daily Post, 2017).

Statement of the Problem

Despite Nigeria's abundant natural and human resources, the country has struggled to create a conducive environment for sustained investment and economic growth. Successive governments, particularly from 2015 to 2025, have introduced various policy initiatives aimed at attracting

investors and improving the ease of doing business. Notable among these is the establishment of the Presidential Enabling Business Environment Council (PEBEC), which sought to reduce bureaucratic bottlenecks and enhance regulatory efficiency. However, while these efforts have yielded some improvements such as faster business registration processes and digitization of certain government services, the broader investment climate remains fraught with challenges. Persistent issues such as inconsistent policy implementation, inadequate infrastructure, insecurity, corruption, and weak enforcement of contracts continue to undermine investor confidence. In addition, the impact of reforms has been uneven across states and sectors, raising questions about the effectiveness, sustainability, and inclusiveness of the policies. The gap between policy formulation and actual business experiences further complicates the situation, with many entrepreneurs and investors still encountering significant barriers to entry and operation.

Aims and Objectives of the Study

The primary aim of this study is to appraise government policies implemented between 2015 and 2025 with the goal of attracting investment and promoting the ease of doing business in Nigeria. The study examines key government policies and reform initiatives targeted at improving the business environment in Nigeria from 2015 to 2025, and assess the impact of these policies on investment attraction and business operations in the country.

Methodology

This study adopts a qualitative research design to appraise government policies aimed at attracting investment and promoting the ease of doing business in Nigeria between 2015 and 2025. Primary data were collected through semi-structured interviews with key stakeholders and a total of 20 participants were purposively selected based on their knowledge, experience, and relevance to the research objectives. In some aspect, survey and observation was employed because the study is about practical experience of the business operators, Also, document analysis was conducted to complement the interview findings and survey.

Theoretical Framework

Institutional theory is the framework for understanding how government policies, such as those aimed at improving the ease of doing business and attracting investment, interact with the institutions responsible for their implementation. The theory is particularly appropriate for explaining the challenges and successes of Nigeria's policy reforms between 2015 and 2025, as the effectiveness of these policies largely depends on the strength, capacity, and accountability of

the institutions tasked with enforcing them. Institutions; both formal (laws, regulations, organizations) and informal (norms, culture, social expectations), shape structure behavior and the effectiveness of policies. According to institutional theory, the success or failure of government policies in achieving their intended outcomes is highly contingent upon the quality of institutions and how well they manage these policies (Ibrahim Olatunji,2021).

In the context of business and investment, institutional theory suggests that well-functioning institutions; characterized by transparency, efficiency, and accountability, are key to creating an environment conducive to business activities. Conversely, weak or ineffective institutions hinder the implementation of reforms, leading to policy failure or suboptimal results. In the case of Nigeria, institutional theory provides a lens through which we can analyze the implementation and outcomes of policies aimed at attracting investment and improving the ease of doing business. Over the past decade, the Nigerian government has introduced several policy reforms, including the creation of the *Presidential Enabling Business Environment Council (PEBEC)* and various regulatory simplifications, aimed at improving the business climate. However, these policies have faced significant challenges in terms of implementation due to institutional weaknesses.

Conceptual Review

This section provides an in-depth review of key concepts related to the study of government policies for attracting investment and promoting the ease of doing business in Nigeria such as policy implementation, investment promotion, ease of doing business, and institutional and regulatory frameworks for proper understanding of the topic of study:

1. Government Policy Implementation

Government policies refer to the courses of action, strategies, and legislative measures undertaken by government bodies to address specific societal issues, guide economic activities, and achieve national objectives (Manjo,2019). In the context of this study, government policies are those designed to improve the business environment, attract investment, and foster a conducive ecosystem for entrepreneurship and industrial growth. These policies often encompass fiscal, legal, and regulatory frameworks, including tax incentives, infrastructure development, and reforms targeting regulatory efficiency.

Policy implementation refers to the process of executing government policies in a manner that achieves the intended outcomes. Successful implementation requires clear communication, effective governance structures, adequate resources, and the commitment of stakeholders at various levels of government. In the Nigerian context, Abu-Gyamfi (2021) averred that policy implementation has often been a challenge, with delays, inefficiencies, and inconsistencies that undermine the success of reforms. While the Nigerian government has introduced several policies aimed at improving the ease of doing business, the effectiveness of these policies has been hindered by factors such as a lack of coordination among agencies, poor enforcement of regulations, and political instability. This study explores the gap between policy formulation and its actual impact on the ground, particularly the challenges in translating good policies into tangible benefits for investors and businesses. It must be stressed here that the government has introduced a variety of policies aimed at improving the ease of doing business, such as the *Presidential Enabling Business Environment Council (PEBEC)*, which was tasked with reducing regulatory bottlenecks, enhancing public sector transparency, and improving the business climate.

2. Investment Promotion

Investment promotion refers to the strategic efforts undertaken by governments, institutions, and agencies to attract both foreign and domestic investments into a country or region. These efforts typically involve policy incentives, such as tax breaks, subsidies, and infrastructural support, aimed at making the investment climate more attractive (NIPC, 2019). In Nigeria, investment promotion efforts have been critical in diversifying the economy away from oil dependency, particularly through initiatives like the *Nigeria Investment Promotion Commission (NIPC)*, which facilitates foreign direct investment (FDI) and supports the development of the non-oil sectors. A key component of investment promotion in Nigeria has been the establishment of a regulatory framework that supports the protection of investors, as well as the provision of incentives aimed at lowering the cost of doing business. However, while policies have been developed, the actual impact of investment promotion on the ground has been inconsistent due to factors such as political instability, security challenges, and poor infrastructure.

3. Ease of Doing Business

The Ease of Doing Business is an index developed by the World Bank, for scoring and ranking countries based on how easy it is to set up and operate a business in such countries. According to Olowu and Hamza (2013), ease of doing business in Nigeria most especially foreign direct investment has been very poor in manufacturing and production sectors largely as a result of poor infrastructure like electricity, poor roads, cumbersome registration procedure for business, land ownership, corruption, multiplicity of taxes, and security of workers. Nigerian government introduced some reforms but the business environment remains hostile to investors and other harsh environmental conditions had forced many businesses to relocate to neighboring countries like Togo, Benin and Ghana, where they felt the business environmental climate is a bit more conducive for their businesses to thrive. Notable examples are Dunlop, Michelin, and Unilever that have relocated to Ghana.

4. Institutional and Regulatory Frameworks

An institutional framework refers to the formal and informal rules, norms, and structures that govern how business operations, economic transactions, and government activities are conducted. This includes the legal, regulatory, and administrative bodies that enforce laws, manage business activities, and ensure the smooth functioning of the economy. In the context of business and investment in Nigeria, key institutions involved in policy implementation include the *Central Bank of Nigeria (CBN)*, *Nigerian Investment Promotion Commission (NIPC)*, *Nigerian Customs Service*, and the *Corporate Affairs Commission (CAC)*, among others. The effectiveness of these institutions is critical to the success of policies aimed at improving the business environment. Institutional weaknesses, such as corruption, inefficiency, and lack of coordination between agencies, can significantly hinder the implementation of reforms and discourage potential investors. The challenge of improving Nigeria's institutional framework lies in addressing these weaknesses while ensuring that reforms are sustained over time.

Regulatory bottlenecks refer to delays, inefficiencies, and obstacles in the administrative processes required to comply with government regulations (Daramola & Akinlolu, 2021). In Nigeria, regulatory bottlenecks have been a significant barrier to the ease of doing business. These include delays in business registration, cumbersome tax compliance procedures, complex import-export regulations, and difficulties in obtaining permits and licenses. These bottlenecks has not only

increase the cost of doing business but also deter potential investors, particularly in sectors that require significant regulatory oversight. The study analyzes the extent to which regulatory bottlenecks persist in Nigeria and how they impact business operations.

Thematic Review of Literature

The review of literature focuses on two key themes relevant to the appraisal of government policies for attracting investment and promoting the ease of doing business in Nigeria such as legal frameworks and agencies implementing policies on ease of doing business, and synopsis of successes recorded by the various policies formulated and implemented for ease of doing businesses in Nigeria from 2015 till date:

i. The Legal Frameworks and Agencies Regulating Ease of Doing Business in Nigeria

The laws regulating the ease of doing business in Nigeria are many. Starting from the law regulating how businesses entity get registered, started and how they operate. The principal law governing registration and operation of business entities is the Companies and Allied Matters Act (CAMA) 2020, and recently, changes came to ease of doing business in Nigeria with the enactment of Business Facilitation (Miscellaneous Provisions) Act, 2022. The law made several updates on how business work and operate under the Companies and Allied matters Act (2020). A cursory study of the Act revealed some significant changes for ease of doing business in Nigeria and these changes includes among others the exemption of foreign companies from registration; electronic meeting; increase in share capital; pre-emptive rights of shares of existing members; allotment of shares; returns of allotment; issuance of share certificate; transfer of shares; independent directors of public companies; multiple directorship; and qualification of insolvency practitioners.

In the book of Caleb (2024), other regulatory laws affecting the ease of doing business by business entities in Nigeria include; the Investment and Securities act (2007); Nigeria Investment Act; Foreign Exchange Monitoring (Miscellaneous Provisions) Act; National Office for Technology Acquisition and Promotions Act; Standard Organization of Nigeria Act; Immigration Act; Industrial Inspectorate Act; Trademark Act; Patents and Design Acts; Customs and Excise

Management Act; Nigerian Insurance Act; Federal Competition and Consumer Protection Act (2018); National Agency for Food and Drug Administration and Control Act; Federal High Court Act; Banks and Other Financial Institution Act; Legal Practitioners Act; Industrial Development (Income Tax Relief) Act; Companies Income Tax Act; Stamp Duties Act, Federal Inland Revenue Service Act; Partnership Law; Nigerian Constitution (1999); Petroleum Profit Tax Act; and Asset Management Corporation of Nigeria Act.

Additionally, two major Acts were passed and signed into law on 19th October, 2022 and February, 2023, by the then Nigerian President, General Muammadu Buhari. They are: Nigerian start up Act, 2020 and Business facilitation (Miscellaneous provision) Act, 2023. *The Nigeria Startup Act 2022*, has the following objectives;

- i. Provision of a legal and institutional framework for developing business startups in Nigeria;
- ii. Provision of an enabling environment for the establishment, development and operations of business startups in Nigeria;
- iii. Provision for the development and growth of technology-related talents; and
- iv. Position Nigeria's business startup ecosystem as Africa's leading digital technology centre.

The Act applies to companies incorporated under CAMA, 2020 and labeled as Business startups and firms whose activities affect the creation, support and incubation. The Act was passed as a response to the challenges confronting business startup in Nigeria and a special seed funding was also created for Fintech to ease their funding challenges. Tax and fiscal incentives available to business startups were also included in the Act. Notable sections in the Act include the section relating to labeled startup, investment seed fund, tax and fiscal incentives covering pioneer status incentives, deduction of expenses on research and development, exemption from Industrial Training Fund (ITF) contribution, repatriation of capital and profits, export incentives, protection of Intellectual property rights, access to government grants and facilities, collaboration with the Securities and Exchange Commission, transfer of foreign technology, and collaboration with the Corporate Affairs Commission. Despite the passage of the Act, implementation is key to achieving the goals set by the government on the ease of doing business especially for startups in Nigeria.

Equally, *Business Facilities (Miscellaneous Provisions) Act, 2023* was passed to provide for the ease of doing business and to ensure transparency, efficiency and productivity in Nigeria. The Act

aims to improve the enabling environment for small medium enterprises (SMEs) to thrive. The Act amended twenty-one other laws to remove bureaucratic constraints to business in Nigeria. The amended laws includes the companies and Allied Matters Act (2020), Export (Prohibition) Act, Financial Reporting Council Act, Customs & Excise Management Act, Immigration Act, Industrial Inspectorate Act, Foreign Exchange Act, Investment and Securities Act, National Planning Commission Act, National Housing Fund Act, Nigerian Customs Service Board Act, National Office for Technology Acquisition and Promotion Act, Nigerian Export Promotion Council Act. Nigerian Ports Authority Act, Nigerian Investment Promotion Commission Act, Patent and Designs Act, Nigerian Oil and Gas Industry Content Act. Pension Reform Act, Trademark Acts and Standard Organization of Nigeria Act. The Act also provides incentives to encourage the growth of MSMEs, provide for harmonization of MDA's processes, measure key performance indicators and ensure efficiency and transparency in public service delivery with and procedures specified for doing business, thereby ensure the promotion of good government practices through public private partnership and an enhanced regulatory environment for all business. This Act was facilitated by the Presidential Enabling Business Environment Council (PEBEC) in collaboration with the Presidency, the 9th National Assembly, the Federal Ministry of Justice, participating Federal Ministries Departments and Agencies (MDAs), Nigeria Bar Association Section on Business Law, Nigerian Economic Summit Group, Business Environment Round Table, Manufacturers Association of Nigeria, Nigeria Association of Small and Medium Enterprises, and Lagos Chamber of Commerce and Industry.

In addition to these laws, there are regulatory bodies for ease of doing business in Nigeria. Notable among these bodies are Corporate Affairs Commission that register, regulate and supervise management of a business entities for their effective and efficient operations. There is also the Securities and Exchange Commission that handle the management and control of capital market operators in the country. There is Central Securities Clearing System that act as capital market agent and handle central depository, clearing and settlement services for transactions in the Nigerian Stock Market. The National Office for Technology Acquisition and Promotion (NOTAP) registers foreign technology and monitor execution of foreign contracts in the country. There is also Nigerian Exchange Group that provide trading floor for the sale and purchase of securities of publicly quoted companies. The Asset management Corporation of Nigeria (AMCON) acquires, holds, manages, and disposes eligible bank assets; while the Federal Competition and Consumers

Protection Commission initiate policies and review economic activities in Nigeria to identify anti-competitive, anti-consumer protection and restrictive practices which may adversely affect the economic interest of consumers in Nigeria (Badmus, 2021 and Osamolu, 2023).

ii. Synopsis of Government's efforts and Successes recorded in implementing the National Policy on Ease of Doing Business in Nigeria

At the end of 2016, the operational arm of the presidential Enabling Business Environment Committee (PEBEC) became functional with a delivery span of 2 years to implement the reforms of PEBEC. The first 60-day National Action Plan (NAP-60) was launched in February 2017 with a focus on delivering immediate improvement in seven of the key indicators on the World Bank's doing business indicators, including starting a business, getting credit and trading across borders as well as entry and exit of people. These reforms focused on automation of services to eliminate manual procedures and promote online procedures, reducing the cost and time for certain processes to be completed, reducing paperwork and increasing transparency. The NAP-60 was augmented by Executive Order 001 (E01) that laid out five new standards of practice.

The PEBECs two key Executive Bills i.e. the Collateral Registry Bill and Credit Services Bureau Bill, were passed into law with the objective to aid access to credit for small and medium enterprises. Furthermore, the PEBEC made strides in reducing the number of agencies in Nigeria ports to allow ease of entry and exit of goods and people. The impact of these reforms were evident in the report released on Doing Business 2018 report titled "*Reforming to Create Jobs*" as Nigeria moved up 24 places, surpassing the target of 20 to 145th and ranked in the top 10 most improved countries in term of ease of doing business in 2018.

It is noteworthy to state that the Enabling Business Environment Committee identified six challenges affecting ease of doing business in Nigeria, all of which were dealt with within the 60 days implementation time frame. The challenges includes;

- i. Starting a business in Nigeria can be difficult, requiring two (2) times as many procedure and three (3) times the amount of time as in developed economics
- ii. Obtaining construction permits in Nigeria requires two (2) times the cost and number of procedures, and three (3) times the amount of time as in developing countries
- iii. Registering property in Nigeria requires two (2) times the cost and number of procedures, and three (3) times the amount of times as in developed countries

- iv. The country's Collateral Registry is under-utilized and credit bureau coverage is below average making credit inaccessible.
- v. Exporting from Nigeria can require almost ten (10) times the amount of time and five (5) times the cost of developed nations, with similar gaps for importing;
- vi. Visiting and working in Nigeria i.e. from getting travel documentation to using Nigeria's international airport; are not up to par with similar economies and developed countries.

As part of the efforts to address these challenges, different arms of government particularly the legislature and specific MDAs formed alliance and formulated initiatives which are targeted towards streamlining the processes as well as costs (in terms of fees and time) of doing business in Nigeria. These stakeholders include the Corporate Affairs Commission (CAC), Lagos State Government (LASG), the Kano State Government, the National Assembly (NASS), Central Bank of Nigeria (CBN), Federal Inland Revenue Service (FIRS); Nigeria Customs Service (NCS); Nigerian Ports Authority (NPA), Nigeria Immigration Service (NIS), Federal Airports Authority of Nigeria (FAAN) and the Federal Ministry of Finance (FMF); Also, reforms were carried out by the Corporate Affairs Commission with the cooperation of the FIRS in the key areas of starting a business through online registration of business and reduced turnaround time; getting construction permits registering property, getting credit; and payment of taxes through electronic payment and filling.

These reforms delivered immediate improvement on the World Bank's 2018 doing Business reports released in October, 2018, with Nigeria moving up 24 places from 169th to 145th and recognized as one of the 10 most reformed business climates in the world. This was because from July, 2017, the PEBEC focused on cascading the national-level reforms structure into the sub-national level through individual States. By collaborating with the National Economic Council (NEC), the PEBEC has propagated the replication of sub-national case of doing business structure to implement a coordinated strategic intervention for the entire economy.

A second home-grown indicator; Trading within Nigeria (TWN), was created by the PEBEC to address critical regulatory bottlenecks raised by stakeholders and remove impediments to movement of goods across the country. Significant legislative and judicial reforms have also been achieved with PEBEC working closely with National Assembly and the Judiciary. In 2017, PEBEC in collaboration with the National Assembly, delivered two acts for enabling access to

credit, which is a vital requirement for MSMEs. Also, in 2020, the Companies and Allied Matters Act was been repealed and re-enacted by the Senate, and assented to by the President. The Judiciary is a strong partner in reforming dispute resolution and settlement, a key factor for investors. To consolidate on the gains made, the PEBEC kicked off its National Action Plan 2.0 (NAP 2.0) which is in line with the objectives laid out in the Economic Recovery and Growth Plan (ERGP) and aims to spread the reforms implemented across some MDAs as well as Lagos and Kano in the initial 60-day NAP launched in February 2017, and to more States and MDAs. Presently, traditional means of registering a company with pagers has been replaced with online processes and new companies can confirm name availability, get all the information needed, and download and submit registration forms, all online. Other notable reforms to ease of doing business are introduction of the visa-on-arrival option, airport infrastructure development and the removal of baggage check post in the checking-in process.

At the end of NAP-60, the relevant agencies with support from PEBEC had ensured the successful implementation of an upgraded and fully automated online name reservation process whereby approvals are issued to applicants within a maximum period of 12 hours. Through the relocation of servers servicing the Corporate Affair Commission to a remote location managed by a private operator, server downtime was reduced drastically thereby ensuring availability of services to stakeholders on a more regular basis and reducing challenges previously experienced with document upload on the Companies Registration Portal (CRP). Also, five separate incorporation forms were consolidated into one single Form (CAC Form 1.1), thereby making it easier for applicants to complete the registration form. This reform also resulted in a reduction of cost of registering a private limited liability company with a NGNI million authorized share capital from NGN19, 500 to NGN15, 500. An electronic integrated platform was introduced whereby Tax Identification Numbers (TIN) is automatically generated by the FIRS upon completion of new registrations. Once the registration number is generated by the CAC, the TIN is sent to one of the business founders of the new company via email. Therefore, applicants no longer need to complete a tax registration application form or visit the tax office to register for income tax and value added tax (VAT).

Furthermore, the electronic integrated platform was utilized as a tool for ensuring that payments for stamp duty and company registration fees could be undertaken on the company's registration portal (CRP). The integration also enabled the introduction of an electronic stamping

process, whereby registration documents were stamped electronically on the CRP. This reform eliminated the manual processes previously used by the CAC and the FIRS. As a result of the stabilization of the CAC servers and upgrade of infrastructure for operation of the CRP, registration operations of the CAC were successfully extended to major commercial cities in Nigeria with an overall outcome of the implementation of a 24-hour period for completion of business registration processes initiated on the CRP (PEBEC 2020).

As part of efforts to remedy its poor performance in the ease of doing business and ease the process of doing business in Nigeria particularly for foreign investors, the Federal Government chooses to implement the policy through the committee known as "Presidential Enabling Business Environment Council" that has been saddled with the responsibility of implementing the national policy on ease of doing business in Nigeria. The committee is worked hand in hand with Corporate Affairs Commission to implement the following measures:

- i. Automation and online Search: The incorporation process was fully automated. New companies has been making electronic submission of the documents required for verification, filing and documentation purposes at the Corporate Affairs Commission, thereby dispensing with the requirement to submit original documents. This has gone a long way in reducing the expenditure of companies in terms of cost expended on stationary and cost of conveying these original documents to the relevant Corporate Affairs Commission office for use.
- ii. Self-service by First Directors: A new system was introduced that allows the first directors of companies to carry on with the incorporation of companies at the Corporate Affairs Commission themselves without any sort of professional help. Nevertheless, the services of a legal practitioner still be required to sign off the 'statutory declaration of compliance' in compliance with the provisions of the Companies Allied Matters Act (2020), to conclude the incorporation process.
- iii. Electronic Stamping and Tax Identification Number: The Federal Inland Revenue Service in collaboratively partnership with Corporate Affairs Commission unveiled electronic stamping of incorporation documents of a company and issuance of Tax Identification Number. The companies now be able electronically stamp their Corporate Affairs Commission's documents on the Corporate Affairs Commission website without having to be physically present at the Federal Inland Revenue Service office. In addition, newly incorporated companies can now obtain their Tax Identification Number at incorporation electronically on the Corporate Affairs Commission website

iv. Single Form for Incorporation: A one form for all' system of incorporation forms (CAC Form 1, CAC Form 3, CAC Form 4, CAC Form 2A, & CAC Form 7) have all been introduced and consolidated into one single form referred to as CAC Form 1. This is premised on the fact that the share capital and shareholding are already set out in the Memorandum of Association of the company in such a way that there is no need to repeat the same information in the CAC Form.

v. Decentralized Registration and CAC Regional Offices: The power to fully conclude incorporation application has been delegated to all regional Corporate Affairs Commission offices in Nigeria. As such, an incorporation application is now done in a State office of the Corporate Affairs Commission without recourse to the Corporate Affairs Commission headquarters in Abuja. This delegation has enhances the speed at which incorporation is concluded and eliminates the delay that comes with having to revert to the headquarters for conclusion of registration's application. The Corporate Affairs Commission has also put in place structure to procure the completion of the registration of companies within 24 hours.

(vi) Other Successes Recorded: Additionally, the 2020 World Bank report on the ease of doing business noted that Nigeria has improved in her ranking in the following areas

- a. Starting a business: Nigeria made starting a business easier by reducing the time needed to register a company at the corporate affairs commission and introducing an online platform to pay stamp duty.
- b. Getting electricity: Nigeria made getting electricity easier by requiring that the distribution companies obtain the right of way on behalf of the customers and by turning on the electricity once the meter is installed.
- c. Trading across borders: Nigeria reduced the time needed to export and import by implementing joint inspections, the custom electronic system and around-the-clock operations at Apapa Port.
- d. Enforcing contracts: Nigeria made enforcing contracts easier by issuing new rules of procedure for small claims courts which limited adjournments to unforeseen and exceptional circumstances.

Key Findings

The study identifies the following key findings:

- a. **Positive Impact of Recent Policy Reforms: The study found;**

- i. **Improvement in Business Registration:** The Nigerian government's efforts to streamline business registration procedures through the *Corporate Affairs Commission (CAC)* online portal and the introduction of one-stop-shop services have resulted in a significant reduction in the time and cost of starting a business. According to *Daramola and Akinlolu (2021)*, business registration time has decreased by more than 30%, which aligns with improvements noted in the World Bank's *Ease of Doing Business* rankings.
- ii. **Increased Investment in Special Economic Zones (SEZs):** The establishment of SEZs has attracted foreign investments, particularly in sectors such as manufacturing, agriculture, and technology. *Adegbe and Ogun (2020)* noted that these zones have provided better infrastructure, tax incentives, and improved regulatory oversight, contributing to a more favorable environment for businesses.
- iii. **Ease of Tax Compliance:** Reforms in Nigeria's tax administration, especially the introduction of the *Integrated Tax Administration System (ITAS)*, have improved tax compliance rates and streamlined the filing process. Studies, such as *Abiola and Ojo (2020)*, indicate that businesses now find it easier to comply with tax requirements, which has a positive impact on business operations.

b. Challenges in Policy Implementation: The study found;

- i. **Bureaucratic Inefficiencies and Corruption:** Despite improvements in policy frameworks, the study finds that bureaucratic inefficiencies and corruption remain significant obstacles to the effective implementation of business reforms. According to *Agbola (2018)*, the persistence of these challenges undermines the credibility of government policies and creates inconsistencies in their enforcement, leading to delays and business uncertainty.
- ii. **Weak Institutional Capacity:** A major barrier identified is the weak institutional capacity of regulatory agencies such as the *Nigerian Investment Promotion Commission (NIPC)* and the *Corporate Affairs Commission (CAC)*. *Ogunyemi (2020)* highlights that these agencies are often underfunded and lack the human resources necessary to implement reforms effectively, which hinders their ability to support businesses in practice.
- iii. **Inconsistent Policy Enforcement:** While Nigeria has introduced attractive policies for investment, *Oluwadare (2021)* argues that inconsistent policy enforcement continues to deter investment. The lack of coordination among government agencies, frequent changes

in policy direction, and political instability have contributed to an environment of uncertainty, affecting both domestic and foreign investors.

c. Security and Infrastructure Challenges: The study found;

- i. **Security Concerns:** Security issues, such as insurgency, banditry, and communal conflicts, remain a major deterrent to business operations in Nigeria. The study found that, despite government efforts to enhance security, these challenges continue to negatively affect investment, particularly in northern and southeastern regions. *Olamide (2021)* noted that the escalating security situation has caused many foreign investors to reconsider or withdraw investments.
- ii. **Infrastructure Deficiencies:** Infrastructure remains a major challenge. The lack of reliable electricity, poor transportation networks, and inadequate communication infrastructure continue to raise the operational costs for businesses. *Akinyemi (2019)* and *Oluwole and Okunola (2020)* agree that infrastructure gaps are one of the key reasons why Nigeria's business environment remains less attractive compared to other African nations.

Conclusion

The findings reveal both progress and persistent challenges in the country's business environment. The Nigerian government has made notable strides in creating a more conducive environment for business, particularly through reforms in business registration processes, the establishment of Special Economic Zones (SEZs), and improvements in tax administration. These measures have contributed to an increase in foreign direct investment (FDI) inflows and a relatively improved position in the *World Bank's Ease of Doing Business Index*. Additionally, digital platforms and simplified regulatory processes have made it easier for businesses to operate. However, despite these successes, several challenges remain that hinder the full realization of the intended outcomes.

Recommendations

Based on the foregoing findings, the following nine key recommendations are made to enhance the effectiveness of government policies aimed at attracting investment and promoting the ease of doing business in Nigeria:

1. **Strengthen Institutional Capacities:** To ensure the successful implementation of business-friendly policies, it is essential to strengthen the capacity of key institutions, such as the *Nigerian Investment Promotion Commission (NIPC)*, the *Corporate Affairs Commission (CAC)*, and the *Federal Inland Revenue Service (FIRS)*.

2. **Combat Corruption and Enhance Governance:** Corruption remains a significant obstacle to the effective implementation of policies. The government should prioritize comprehensive anti-corruption reforms, ensuring that regulatory bodies and agencies operate transparently and efficiently.

3. **Ensure Policy Continuity and Stability:** Given the impact of political instability and policy inconsistency on business confidence, it is crucial for successive governments to prioritize the continuity of business reforms.

4. **Invest in Infrastructure Development:** Infrastructure is a key factor in improving the business environment. The government should significantly increase investment in critical infrastructure, including reliable electricity supply, transportation networks, and communication technologies.

5. **Enhance Security Measures:** Security remains one of the most critical concerns for both local and foreign investors. The government should take immediate and decisive action to address the security challenges facing the country.

6. **Simplify Taxation and Regulatory Procedures:** While progress has been made in simplifying business registration and tax compliance, further steps can be taken to ease the burden on businesses. The government should work to harmonize tax codes and ensure that tax rates are competitive in comparison to other African nations.

7. **Promote Sector-Specific Investment Incentives:** The government should continue to offer targeted incentives for key sectors that are critical for Nigeria's economic development, such as agriculture, manufacturing, technology, and renewable energy. Special economic zones (SEZs) and industrial clusters should be further developed to provide sector-specific incentives, such as tax breaks, reduced tariffs, and access to financing, to attract investments in these areas.

8. Foster Public-Private Partnerships (PPPs): To address some of the infrastructure gaps and ensure the successful implementation of investment-friendly policies, the government should encourage public-private partnerships (PPPs).

9. Promote Awareness of Reforms: It is essential to create awareness among both domestic and international investors about the reforms and incentives available. The government should increase its efforts to publicize its investment policies and regulatory changes through comprehensive marketing campaigns and investment forums.

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