

# **2020 ISLAMICITY INDICES: NIGERIA**

by

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## **Executive Summary**

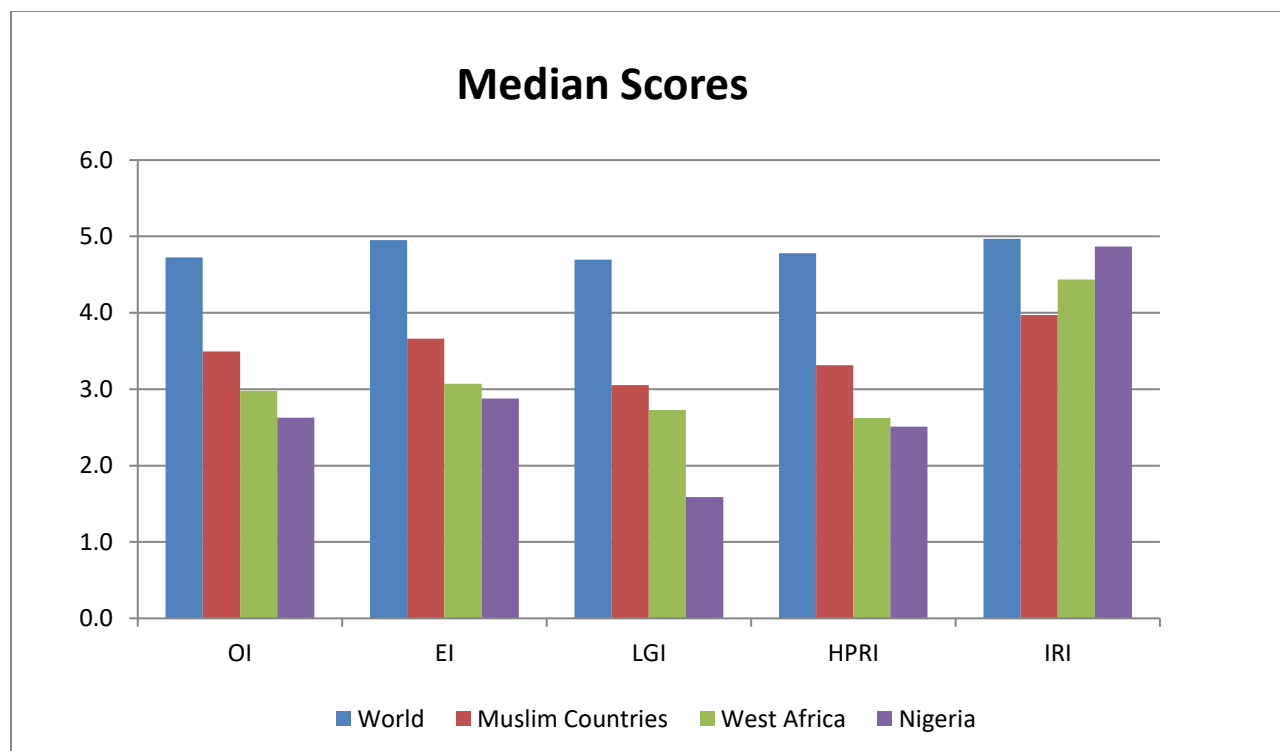
Islamicity indices measures how a country can build effective institutions and establish conditions necessary for a flourishing, just and prosperous society. For a society to flourish there is need for the right policy and institutional framework in place. Five categories: Overall Islamicity (OI), Economic Islamicity (EI), Legal and Governance Islamicity (LGI), Human and Political Rights Islamicity (HPRI) and International relations Islamicity (IRI), together form Islamicity indices. The findings show that, the Islamicity index performance of Nigeria for 2020 is far worse than that of the 2019 performance. Of these five indicators, only International Relation Islamicity has a positive performance especially when relative performance is considered. During the analysis year, Nigeria is grappling with unprecedented shocks of COVID-19 pandemic, sharp decline in revenue from sale of crude oil and incessant insecurities in the country. As a way forward, Nigeria needs to institute reforms that can build effective institutions as well as internalize religious teachings so as to have a just and flourishing society that can build effective institutions. These institutions will integrate holistic reforms in political, economic justice, human and political rights in order to have a peaceful, prosperous and better Nigeria.

## ISLAMICITY INDEX PERFORMANCE OF NIGERIA: RANKS AND SCORES IN COMPARISON TO OTHER AVERAGES

**Table 1: Median Rankings**

<b>Year 2020 rankings for:</b>	<b>OI</b>	<b>EI</b>	<b>LGI</b>	<b>HPRI</b>	<b>IRI</b>
World, 2020	76	76	76	76	76
Muslim Countries, 2020	114	107	110	111	103
West Africa, 2020	125	122	117	127	93
Nigeria, 2020	135	129	137	129	80

Table 1 displays the median rankings for Islamicity indices for the world, Muslim countries, West African countries and Nigeria respectively. The Overall Islamicity (OI) index, Economic Islamicity (EI) index, Legal and Governance Islamicity (LGI) index, Human and property Rights (HPRI) index and International Relations (IRI) index rankings for Nigeria is worse than the median rankings of all categories in the groupings. Similarly, Figure 1 shows the median score comparison for world, Muslim countries, West African countries and Nigeria respectively. The scores for OI, EI and LGI for Nigeria are below the median scores for the World, Muslim countries and West African countries. It only comes close to West African countries in areas of HPRI, while in IRI it surpasses West African countries and comes close to the world median scores with a score of 4.90 in comparison to 5.0 for the global median.



**Figure 1: Median Scores**

**Table 2: Scores and percentage change for 2020 relative to 2019**

<b>Year 2020 Scores for:</b>	<b>OI</b>	<b>EI</b>	<b>LGI</b>	<b>HPRI</b>	<b>IRI</b>
World,2020	4.7	5.0	4.7	4.8	5.0
Muslim Countries, 2020	3.5	3.7	3.1	3.3	4.0
Nigeria, 2020	2.6	2.9	1.6	2.5	4.9
World, 2019	4.5	4.88	4.75	4.58	5.1
Muslim Countries, 2019	3.44	3.65	3.15	3.14	4.11
Nigeria, 2019	2.74	2.95	1.82	2.67	4.7
Percentage change in median scores relative to 2019 for the world	5.00	1.46	-1.10	4.34	-2.61
Percentage change in median scores relative to 2019 for Muslim countries	1.54	0.31	-3.01	5.57	-3.32
Percentage change in median score relative to 2019 for Nigeria	-4.19	-2.51	-12.67	-6.01	3.56

Table 2 shows the median scores and percentage change for 2020 relative to 2019. Looking at the table, the performance for Nigeria appears to be the worst relative to other groupings. For example, EI has a -2.51 in 2020 against the previous year's performance of -12.21. Similarly, LGI and HPRI declined from a positive figure of 3.39 and 4.07 in 2019 to the negative territory of -12.61 and -6.01 respectively. However, the performance of IRI improved significantly from -3.44 in 2019 to a positive value of 3.56 in 2020. Talking in general terms, performance of indices in 2020 is far worse than the preceding years considering the many negative values recorded against the previous year's performance. This is due to numerous challenges bedeviling the country which ranges from economic instability, increasing poverty rate and declining standard of living, dilapidated health care facilities, heightened insecurity, poor legal system and pervasive corruption.

**Table 3: Ranks and Scores**

Changes	OI	EI	LGI	HPRI	IRI
Rank (in spot)	-4	-2	0	0	7
Scores (in %)	-4.36	-4.33	-12.15	-5.99	3.62

Table 3 presents the comparison in ranking and scores in Islamicity for 2020. All the indices except IRI performed woefully when compared with the previous year's performance. For example, OI has a ranking of 2 against the -4 realized in 2020. Likewise EI was ranked -11 in 2019 against the -2 recorded in 2020. There was no change in status for LGI and HPRI recorded in the 2020 performance. However, IRI went from negative territory to a positive value of 7 in 2020. Hence, looking at the overall rankings, only IRI ranking improved among the remaining indices. Also, when considering the scores, it echoes what is obtained in the rankings having realized negative performances in all the indices except for the IRI which has positive value of 3.56 against the -3.57 recorded in 2019. The poor performance realized in the 2020 is an extension of the growing economic problems which started from the decline in global oil prices and was exacerbated by the

Covid-19 pandemic. These together wrecked serious havoc on Nigeria's economy which has been grappling to contend with this continued downturn in oil prices.

## **GENERAL OUTLOOK: ANALYSING CHANGES IN INDICES**

### **Economic Islamicity (EI) Index**

Nigeria's economy made a gradual recovery from the 2016 recession and registered 2.2 percent growth in 2019. However, the outbreak of Covid-19 pandemic in late 2019 which originated in China affected Nigeria by the first quarter of 2020. The economy contracted by 6.1 percent compounding the already existing economic problems ranging from falling per capita income, substantial governance issues, persistent double digit inflation and weak buffers to absorb these shocks. The slump in oil price, which started in late 2014, has gradually and nearly brought the country to its knees. In fact, this prompted the country to seek loans from international financial institutions, such as the IMF and the World Bank, in order to prevent the economy from a total collapse. Like many other countries, Nigeria's economy went through lock-down in the second quarter of 2020 resulting in contraction in production and output. The non-oil sector such as agriculture and service sector were seriously affected as farmers could not go out to work on their farms. The net effect has been skyrocketing price of goods and service with food prices becoming overly expensive and out of reach to the poor. This development also worsens Nigeria's economic status and is having more than 80 percent of its citizens living below the poverty line.

### **Legal and Governance (LGI) Index**

The 2020 LGI ranking for Nigeria is still among the worst performers in the Muslim world. It went from a positive territory in 2018 having 5.34 to a negative territory in 2019 (-0.72) and (-10.08) percentage points decline in 2020. The corruption percentage index ranking for 2020 ranked

Nigeria 149 out of 180 countries against the 146 out of 146 countries obtained in the preceding year. This corroborates the fact that the legal system and corruption in the country is getting worse by the day. As fighting corruption in Nigeria fights back with full force, eradicating it in the country's system will need a drastic shift in mindset. Similarly, the legal system of the country is also marred with a lot of unfair judicial decisions. Several court cases are hanging in the courts for years and many criminals go away without trial. There is a lot of red tape and inefficiency in the legal system.

### **Human and Political Rights (HPRI) Index**

The HPRI ranking for Nigeria has not made any improvement when compared with the previous year's ranking. It was ranked 129 for both 2019 and 2020. This is why when relative performance is considered, it shows zero change in status. This signifies the condition of the citizens has not made any remarkable improvement. Nigeria is going through one of its toughest times in history. The country is currently facing numerous challenges that require holistic approach to tackling them. One of the most serious problems bedeviling the country is the issue of insecurity. Kidnappings, banditry and armed robbery are becoming rampant in the country. The kidnappers demand hefty ransom from the family of the kidnapped victims to secure their release. In most cases, the kidnapped victims get killed when the ransom is not paid or even when the ransom is paid. The freedom house report for Nigeria in 2020 shows a change in status from the 50 score obtained in 2019 to a lower score of 45 (a difference of 5 scores) indicating worsening conditions of human and political rights in the country.

The conditions necessary for Nigerians to excel are non-existent and as such, the citizens are not finding it easy in many aspects of life. The healthcare and education sector are one of the most neglected sectors in the country. Currently, Nigeria has a population of over 200 million people

and the population grows at 2.5 percent annually. Sadly, the economy is growing below the growth rate of the population, which continues to exacerbate living standards of people in the country. The outbreak of Covid-19 has exposed the weaknesses of the healthcare sectors in many countries and even countries that had the best facilities were brought to their knees. Despite the danger posed by Covid-19 outbreak, the country did not take a proactive measure in order to prepare for worse times ahead. The education sector also suffers similar fate. In 2020, the Federal government budgetary allocation was 6.7% which is far below the previous year's 7.05 percent (down by 0.35 percent) budget. This figure is way below the 26 percent of total national budgets minimum requirement for developing countries as recommended by the United Education Scientific and Cultural Organization (UNESCO).

### **International Relations (IRI) Index**

Militarization and globalization are the two essential metrics that are used to measure this index. The Nigeria's IRI ranking for 2020 has slightly improved from the previous year's ranking. It was ranked 80 in 2020 as against 87 rank realized in 2019. When considering a relative change in scores, it got 3.67 as against the -3.47 scored in 2019. Like any other year, the country's defense allocation is one of the highest of all budgetary items in the country. With the increasing insecurity confronting the country, the defense budgets gets the lion's share in order to fight the menace of Boko Haram attacks, kidnappings, banditry and so on. The Global Peace Index (GPI) ranked Nigeria 147 among 163 independent nations in 2020. It moved one step from the 146 in 2019, making it number eighth among the least peaceful countries in Africa.

### **Impact of Covid-19 Pandemic on Nigeria's Economy and the Economic Fallout**

The outbreak of Coronavirus (Covid-19) pandemic has caused an unprecedented hardship on Nigerians and resulted in a near total shutdown of the economy. The economy that is solely reliant on revenue from the sale of crude oil has suffered because of the low demand from international buyers. As many countries entered lock-down, there was less demand for oil. This further drove down the price of crude oil in the international market leading to a drastic reduction in the total revenue received by Nigeria. Nigeria's economy contracted by 6.1 percent and unemployment is at its peak (about 27 percent of Nigerians are unemployed). Nigeria is the largest country with the highest private remittance income in Sub-Saharan Africa. The Nigerian Diaspora could not send money back home as lock-down has drastically affected the flow of remittance to the country. Domestic production has been badly hit. Local businesses were completely shut down and many businesses laid off staff while others could not survive and have had to close down. The outbreak of Covid-19 pandemic also exposes the weaknesses of the healthcare system. The healthcare suffers long years of neglect and many citizens relied on foreign medical care. The lock-down of International borders prevented medical tourism and many patients could not have the usual access to foreign healthcare services. This has resulted in loss of many lives that was not covid-19 related, but rather due to inability to manage their other health related issues.

### **The government's policies to combat it**

The government of Nigeria has done a commendable effort in containing the spread of the virus. During the peak of the virus spread, there was strict lock-down enforced, which helped in containing the spread of the virus. Although the scale of the infections is a far cry when compared to other global infections, however, about 1,200 deaths have been recorded for December 2020 with total confirmed cases of about 71,000 at the time. Also, as a way of alleviating the suffering of the masses due to lock-down, which prevented them from going about their normal businesses,



the government intervened by providing palliatives in form of food items and cash distribution. Though, the process is not without a lot of controversies as most of the palliatives (especially food items) did not reach the intended beneficiaries. In fact, the entire process was marred by serious corruption as some of the state governments did not distribute the food items to the needy people. This development caused public outrage which resulted in massive lootings of warehouses and many food items were stolen by the aggrieved citizens. In the area of healthcare and the entire economy, both fiscal and monetary supports were given to the key sectors of the economy in order to ensure their continuous operations. Also, the economy was suffering from serious leakages such as fuel subsidy that is draining the financial reserves of the country. As a way to limit this loss, the government removed fuel and electricity subsidies so as to have more resources available for public projects. In late 2020, the government entered into an agreement with the World Health Organizations (WHO) to make Covid-19 vaccines available and accessible to its citizens. It succeeded in acquiring the vaccines and many citizens have been vaccinated free of charge. Also, the government created isolation centers by providing funding to Nigeria's Centre for Disease Control (NCDC) so as to strengthen the testing and isolation capacity (IMF, 2020). Similarly, there was massive public awareness on the dangers of Covid-19 infections. Campaigns on the need to maintain safe distance, regular hand washing and prohibition of large gatherings helped to curb the spread of the virus. Also, in light of new economic realities that confront the country, the Federal government revised its budget downward to accommodate the anticipated reduction in revenue occasioned by the drop in crude oil price and less revenue from the sale of oil.

### **Way Forward**

Four out of the five Islamicity indicators (OI, EI, LGI and HPRI) have deteriorated in 2020 compared to the previous year, 2019. Also these indicators recorded a negative relative

performance in ranking making them among the worst performers in the Muslim world. As a way forward, there is need for the Federal government to implement robust reforms which will assist in the betterment of the indicators that formed the indices. The government has limited resources to confront the challenges facing the economy. The mass unemployment that has existed in the country cannot be solved with the little revenue base of the country. There is need for the country to attract more foreign investors to invest in the key sectors of the economy. Most of the crimes perpetrated in the country are committed by idled unemployed youth. Opening Nigeria's shores to international participants will open up more job opportunities in the country. For example, the health and the education sectors suffer serious lack of funding. By bringing in more international investors will broaden employment opportunities as well as providing more education possibilities for Nigerians. This will also narrow the wide gap that existed in both education and health sector of the country. As more people get education, they will be enlightened to know the dangers of having extreme views. This will help in reducing crime rates in the country. Also, more available health care facilities means the populace will be healthier and more productive to contribute to the development of the economy. There is massive inequality of income, wealth and of opportunities in the country. The government should try and make it easy for the citizens to have fair access to the country's resources. This will ease the tension and enmity that exists among the citizens especially in the elite class and the lower income earning citizens. When everyone has equal access to basic amenities, the country will live in peace, harmony and every citizen will work for the prosperity of the country. The aforementioned indicators have performed badly. There is a need for the government to work towards improving them so as to have a better and more prosperous Nigeria.

## **Conclusion**

The Islamicity analysis was based on 46 different economic indicators to measure the extent to which a country comply with the Islamic teachings and practices. The overall index is comprised of four main areas: economic, legal and governance, human and political rights, and international relations. The result show that the 2020 Islamicity Indices for Nigeria perform poorly compared to the previous year. This is mainly due to the series of economic problems confronting the economy ranging from insecurity, food insecurity, double-digits inflation, income and wealth inequality, erratic government policies, weak or non-existed trust system, poor funding in healthcare and education sector, systemic corruption and so on. The infrastructural development suffers years of neglect as the roads have become death trap for many travelers. All these problems are avoidable if the right polies and resources are put in place to have a positive turnaround. Islam teaches peace, unity and equity in all walks of life. There is need for an overhaul in policies to be in tandem with what is ordained by the Quran and Sunnah. There is need for reforms in all the sectors in the economy. Citizens need serious re-orientation on their dealings with one another. There is need for re-building sound institutions that will assist in ensuring effective functioning of the economic sectors. Finally, political governance, good economic policies and fair justice system are keys to achieving a just and equitable society for a happier, peaceful and prosperous Nigeria.

## **Reference**

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