The Nigerian economy has in recent times been battered on all sides. Its major source of income, crude, has lost almost 100 per cent of its value in a little over a year and is not seen to improve soon. The country's economy has been downgraded by many rating agencies and some have gone as far as removing it from their watch list entirely.

The naira, the official currency of Nigeria, has not been spared the bashing. It has become one of the worst performing currencies on the African continent while the nation's external reserves meant to be a buffer in stormy times has neared the red alert stage.

These are some of the major challenges the President Muhammadu Buhari-led government has been confronted with since it took the reins of power on May 29, 2015.

Efforts so far put in place by the government have not proved useful in pulling back the economy from the brinks as well as saving the naira from a free fall.

Although the discussions the IMF boss had with President Buhari, the Senate leadership and other stakeholders during the visit appeared harmless on the surface as reported in the media, there was palpable apprehension among stakeholders, many of which are still trying to unravel the real intent of the visit.

The scepticism and apprehension with which many Nigerians viewed Lagarde's visit is not unconnected to experiences with the IMF in the past.

Created in 1944 and originally designed to promote international economic cooperation and provide its member-countries with short term trade loans, the IMF has since the global debt crisis of the 1980s assumed the role of bailing out countries during financial crises. But its loans are usually tied to certain conditions called structural adjustment policies, which give IMF enormous latitude to influence economic and political decisions in the receiving countries. The fund through the structural adjustment programmes, virtually decides the extent of spending on key areas, such as education and health care, in those countries

The IMF ties poor countries to the international economic system as perpetual junior partners and tends to make the elite in the Third World less accountable to their own people, but more accountable to the elite in the First World through the economic prescriptions.

During her interaction with members of the National Assembly, Lagarde emphasised that Nigeria does not need any help in terms of loans from the IMF, pointing out that she was in the country to chip contribute her quota to discussions on how Nigeria can quickly come out of the economic mess it had found itself.

However the external environment has turned and with global oil prices falling sharply; financial conditions around the globe have tightened; growth in emerging and developing economies has slowed; and geopolitical tensions have increased.

All these are happening at a time when Nigeria is faced with the urgent need to address massive infrastructure deficit and high levels of poverty and inequality.

With this in mind, Largarde noted that Nigeria faces some tough choices going forward, although it’s people are well known for their resilience and strong belief in their ability to improve their nation and lead others by example.

According to her, Nigerians have created a large and diversified economy that has grown by about seven per cent a year over the last decade, testament to Nigeria’s immense potential. The outlook, however, she notes has weakened, with 2015 growth estimated at about 3.2 per cent, “its slowest pace since 1999 and only a modest recovery is expected in 2016.

In spite of these, Lagarde expressed a strong resolve that Nigeria will rise to the challenge and make the decisions that will propel the country to greater prosperity. As she assured Nigeria of the IMF’s full support of any path the country decides to follow, Largarde wrapped up her advice for the country in three ‘R’s, resolve, resilience, and restraint.

Stating that the new reality of low oil prices and low oil revenues means that the fiscal challenge facing government is no longer about how to divide the proceeds of Nigeria’s oil wealth, but what needs to be done so that Nigeria can deliver to its people the public services they deserve, be it in education, health or infrastructure, she said, “this means that hard decisions will need to be taken on revenue, expenditure, debt, and investment going forward.”

Her solution to Nigeria’s precarious economy was first to act with resolve by stepping up revenue mobilisation.

Nigeria’s debt is relatively low at about 12 per cent of GDP, “but it weighs heavily on the public purse. Already, about 35 kobo of every naira collected by the federal government is used to service outstanding public debt,” Lagarde explained.

According to the Managing Director and Chief executive of Financial Derivative Limited, Bismarck Rewane, the country needs to spend its way out of the economic situation it has found itself and Nigeria can borrow more to bridge funding gap.

“Nigeria needs money at this time more than any other country. The IMF may not likely put its money at this time, but the World Bank and African Development Bank surely will. We are going to tap the whole bond market and its quite clear that we would need N900 billion from the international market. So, we need the endorsements of Washington, Paris and London clubs."

Also, a development economist, Odilim Enwegbara, described Lagarde's advice as misleading, explaining that the country as at now, is creditworthy and can borrow as high as $270 billion during the next four years without being debt trapped.

He pointed out that the Debt Management Office (DMO) of Nigeria has been effective in the management of the country's debt portfolio.

According to Enwegbara, "this is however dependent on if our debt remains project-driven, particularly infrastructure-based loans that by reducing our current infrastructure deficit, reduce the present high cost of doing business and high interest rate causing high arbitrage.

"I was instead expecting her to insist on government justifying borrowing by borrowing purely for investment rather than for consumption. Lagarde needed to have applauded the Buhari administration for its bold efforts to drastically increase investment in capital projects which he wouldn't be able to do without having to borrow."

Speaking further, he emphasised that "even though a lawyer and not an economist, her experience as someone who was a former French minister of finance would have guided her advice in a way to agree that there's no other way Nigeria should expect to solve huge infrastructure deficit head-on than to engage in massive borrowing, especially at a time when its main source of revenue, oil, is witnessing unprecedented plunge. Or isn't it hypocritical of her to be advising us not to borrow given our debt-to-GDP ratio which at about 12 per cent is by far the lowest among our peers?" He queried.

Likewise, an analyst at Ecobank Nigeria, Olakunle Ezun, noted that while Nigeria still has more room to borrow both at the local and international markets. Funds derived from the borrowings are used to finance infrastructure developments that will directly impact the lives of Nigerians, "in the long run we would be better for it."