

CHAPTER 1

POLITICAL AND ECONOMIC REALITIES AT
THE DAWN OF THE 8TH NATIONAL ASSEMBLY

In this chapter, we shall explore the politico-economic fundamentals that dominated and made imperative a new and visionary lawmaking policy from the 8th National Assembly. We shall also elaborate on the methodology then adopted by the National Assembly to pursue a prioritized lawmaking agenda, and how economic reforms were then adopted as the central agenda on which every other distilled into.



INTRODUCTION

In several ways the 8th National Assembly was different. It adopted an approach of resolving problems in a rather methodical manner. It also set out clear and assessable performance objectives, for which the overarching goal was to grow the economy, create jobs and promote the Nigerian economy for investment.

As a result of the drastic fall in crude oil prices between 2014 and 2015, at a time the new administration assumed the responsibility of managing the affairs of the country, the Nigerian economy was thrown into severe stress and the prognosis was weak. There was a massive loss of jobs and industries where relocating from Nigeria to other more favourable climates, even in West Africa. This led to high levels of economic uncertainty that was made worse by growing insecurity across the country especially in the North East.

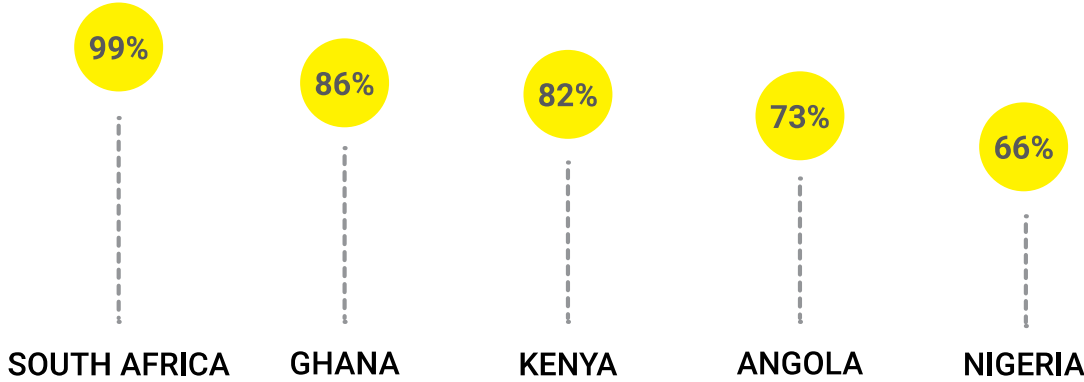
It became an imperative to identify new sources of employment for our teeming and energetic (especially young) population, create more revenues and diversify the economy for greater prosperity. It was also important as well to reduce our infrastructure gap which was obviously growing beyond and outstripping the capacity of the country's annual budget capacity: a World Bank Report released at the time estimated that Nigeria will need to invest about \$100 billion every year to address this deficit. The government had nowhere else to go but to find new capital to invest in the country's infrastructure.



In October 2015, The World Bank released an annual survey of the business enabling environment in almost every country of the world in its 2016 Doing Business Report -. Out of 189 countries covered by the Report, Nigeria was ranked 169th. Within a short time, the country slipped into a recession, the first in .

With the size of the Nigerian economy and its potential for growth, it is puzzling that we still have one of the highest rates of unemployment in the sub-region and certainly the highest level in our history since 2010.

In spite of strong economic growths in the past, Nigeria's social indicators remain very weak. As an example, youth literacy level of 15–24 year olds has been put at 66% by the World Bank, compared to 73% for Angola, 86% for Ghana, 82% in Kenya, and 99% in South Africa.



Nigeria's performance is in fact below the Sub-Saharan Africa average of 70%.

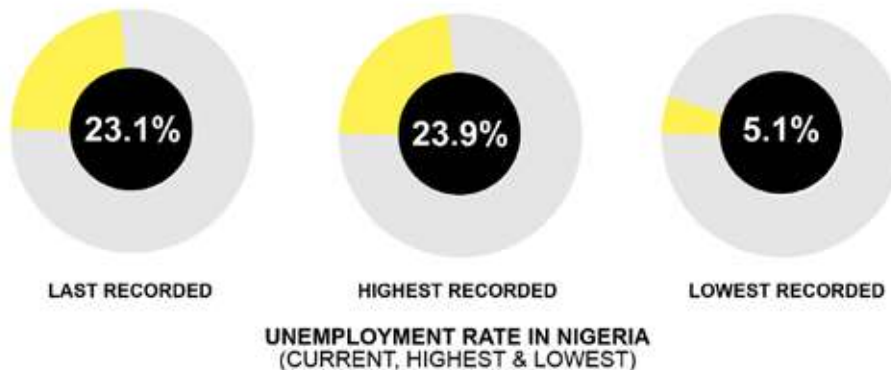
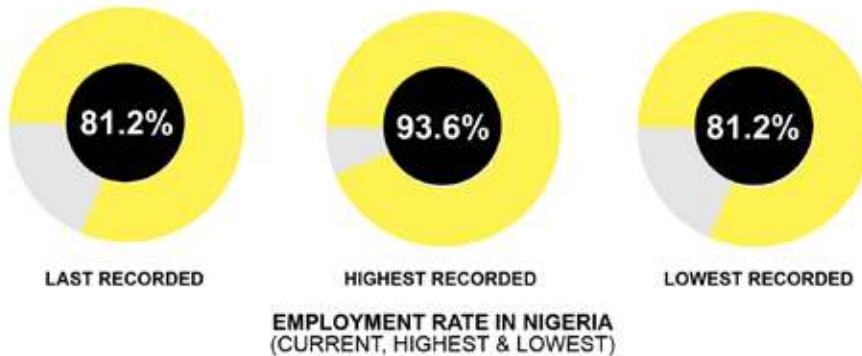
Similarly, Nigeria's infant mortality rate of 78 per 1,000 live births is worse than Ghana, Kenya and South Africa with 49, 49 and 33 respectively, and also worse than the sub-Saharan average of 64. Only 39% of Nigerian births are attended by skilled health workers versus 47% in Angola, 68% in Ghana, 44% in Kenya and 91% in South Africa.

The Sub-Saharan Africa average is 46%. All these point to the inherent institutional and structural imperfections that may be at the belly of the problem and a further indication of the fact that the government alone is incapable of providing the adequate solution to getting the economic back on track.

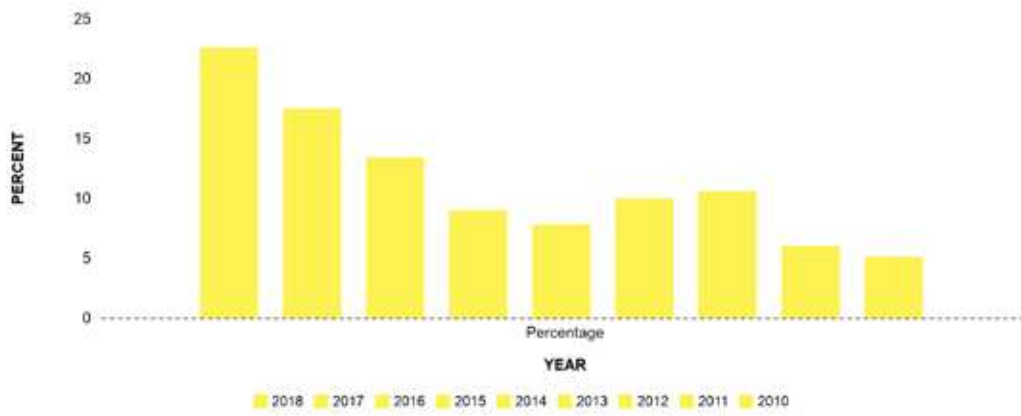
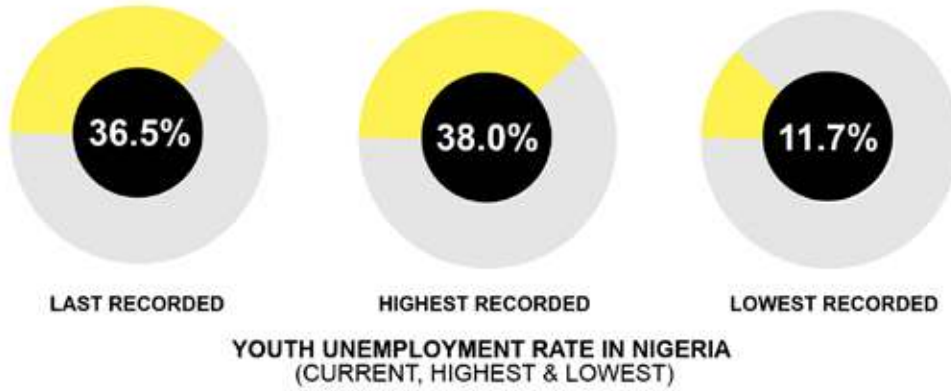
It is sobering that the World Bank describes Nigeria's economy as characterized by "high growth but high poverty."

In 2018, Nigeria was declared as the poverty capital of the world, with over 86 million Nigerians in extreme poverty. The grim statistics below also reflect the fact that our economy is not expanding enough, and many Nigerians are either unemployed or they are not benefitting from the potential opportunities in the economy. This has led to the high levels of insecurity across the country today.

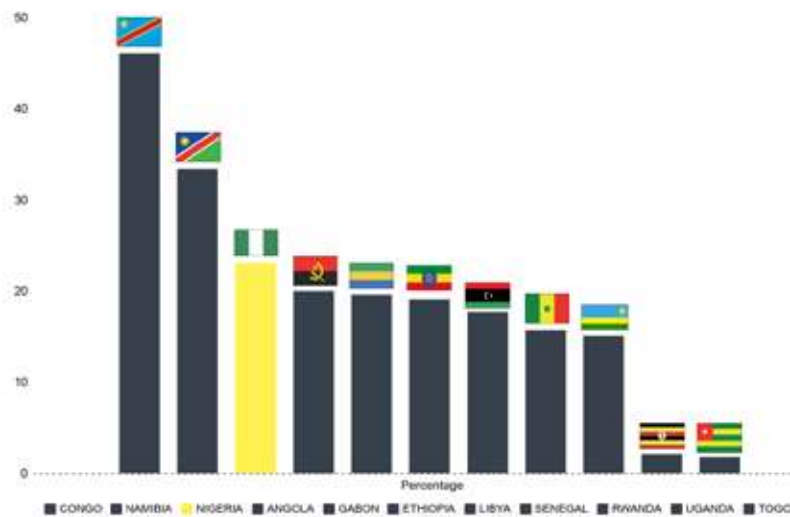
NIGERIA'S ECONOMIC WELLBEING INDICATORS



<https://tradingeconomics.com/nigeria/unemployment-rate>



UNEMPLOYMENT RATES IN NIGERIA SINCE 2010



UNEMPLOYMENT RATES OF SELECTED AFRICAN COUNTRIES WITH THE HIGH RATES OF UNEMPLOYMENT