

CHAPTER 2

LAYING THE FOUNDATIONS FOR ECONOMIC GROWTH THROUGH LEGISLATIVE ACTION: THE CHALLENGE OF JOB CREATION AND DOING BUSINESS

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The challenge of youth unemployment has confronted the handlers of the Nigerian economy since the commencement of the Fourth Republic in 1999. The 8th National Assembly explored and put forward legislative proposals to bring about a holistic structural remodelling to aid access to capital, development of Small and Medium Enterprises (SMEs) and the provision of infrastructure to reduce unemployment and drive enterprise development.

In designing the framework for the tackling these issues through the legislature, the focus of the 8th National Assembly was to present legislative proposals that will

1. Get The Over 84 Million Smes In Nigeria Working Prosperously;
2. Expand Opportunities For Employment For Our Teeming Population To Reduce Delinquency And Improve Family Income;
3. Make Nigeria A Preferred Investment Location Again;
4. Achieve Economic Diversification; And
5. Expand And Modernize Our Infrastructure Base For Ease Of Doing Business And Growth.

It was these core set of imperatives that agitated the minds of the leadership of the 8th National Assembly right from the outset, and formed the overarching objective upon which it set forth.

A team of legal experts led by Prof. Idiornigie, SAN were identified and inaugurated by the President of the Senate Dr. Abubakar Bukola Saraki, to provide the National Assembly with a contextual framework for a comprehensive review of the various legislative, legal, regulatory and institutional deficiencies that had negatively impacted the ability of the Nigerian private sector to play its role as the driver of the economy, main employer of labour and a solid partner in the provision and development of infrastructure.

The team concluded their work and submitted a Report on the March 26, 2016. Interestingly, their findings chimed with those of the survey of the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2010. The following indices converged with the findings of the team

- The initial start-up capital of micro enterprises were predominantly less than fifty thousand Naira, while small and medium enterprises were predominantly less than ten million Naira.
- The main challenges confronting the operations of MSMEs in Nigeria are access to finance and poor infrastructure.
- The total number of persons employed by the MSME sector as at December 2010 stood at 32,414,884.
- The ownership structure by age showed that the age bracket of 24 – 50 dominates. Hence youth entrepreneurs are dominant.

- The three priority areas of assistance to MSMEs are access to finance, provision of infrastructure and regular supply of power and water.

This enabled the National Assembly to methodically conceptualize and produce the necessary legislative instruments that would enhance the ability of our small businesses to access credit and thrive.

The National Assembly was now set to put in place laws that would enable local investment, enhance infrastructure development, ease the cost of doing business in Nigeria, improve the performance and development of our private sector especially as a job creating market and broaden our base for economic opportunities.

To further achieve this, the National Assembly in collaboration with the United Kingdom's Department for International Development (DFID), World Bank, Nigerian organised private sector (through the Nigerian Economic Summit Group), professional bodies (such as the Nigerian Bar Association, the academia and others, created a broader platform to review the state of our laws as they affected businesses. Their assignment was to help the National Assembly identify existing laws that needed to be reviewed and amended to bring them up to international best practice standards or be repealed and new legislations that should be enacted, all aimed at growing the economy.

The Report identified 54 laws that require immediate attention in order to achieve the purpose of making it easy for investors to establish and operate businesses. The Report went through another peer review process and thereafter to a debate and analysis in a business roundtable dialogue with stakeholders in the public and private sectors.

The Report of the legal team set out a menu of proposals to address legal and regulatory problems confronting micro, small and

medium sized businesses in Nigeria. It outlined necessary reforms to guide government operations to support businesses in achieving growth and prosperity.

The Report reaffirmed small businesses as the engine of job creation in Nigeria. With so much emphasis on Government as panacea to our economic and other difficulties, small businesses are often underestimated because they are, in fact, small. However, its is clear that there is nothing small about the impact they have on the Nigerian economy. According to SMEDAN and the NBS, Nigeria's Micro, Small and Medium Enterprises (MSMEs) account for over 83m of all Nigerian jobs.

MSMEs are at the heart of our communities and form the backbone of the Nigerian economy. Together, they make up approximately 96% of all businesses in Nigeria. They employ 57.74 million individuals, representing 84.02% of the Nigerian workforce, and contribute almost 50% to Nigeria's Nominal Gross Domestic Product (GDP).



Senate President - through its Coordinating Office) under the Office of the Senior Special Assistant to the Senate President on Legislative Matters & Strategy - partnered with DFID, through its programmes Enhancing Nigeria Advocacy for a Better Business Environment (ENABLE2) and Growth & Employment in States (GEMS3) to undertake a detailed review of existing Nigerian Federal Legislation affecting businesses in the country.

The Senate on 17th of November 2015, by a unanimous decision adopted the detailed plan, a Legislative Agenda for economic development, job creation, infrastructure renewal and economic diversification. A scorecard of this agenda will be discussed in the next chapter.

