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AUSTERITY MEASURES,
POVERTY AND GENDER INEQUALITY
IN NIGERIA

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ABBREVIATIONS

BAT	Bola Ahmed Tinubu
BHCPF	Basic Health Care Provision Fund
Bn	Billion
CBN	Central Bank of Nigeria
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CESCR	Committee on Economic, Social and Cultural Rights
CNG	Compressed Natural Gas
CRC	Convention on the Rights of the Child
CRR	Cash Reserve Ratio
ES	Economic and Social
FAO	Food and Agriculture Organisation
FCT	Federal Capital Territory
FGN	Federal Government of Nigeria
GDP	Gross Domestic Product
GGGI	Global Gender Gap Index
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICT	Information and Communications Technology
IMF	International Monetary Fund
LPG	Liquefied Petroleum Gas
Mbd	Millions of Barrels Per Day
Mn	Million
MDAs	Ministries, Departments and Agencies of the Federal Government
MICS	Multi-Indicator Cluster Survey
MPI	Multidimensional Poverty Index
MPR	Monetary Policy Rate
MSME	Medium, Small and Micro Enterprises
NBS	National Bureau of Statistics
NCD	NonCommunicable Diseases
NHIAA	National Health Insurance Authority Act
NNPC	Nigeria National Petroleum Corporation
NSR	National Social Register
NYP	National Youth Policy
OPEC	Organisation of Petroleum Exporting Countries
PMS	Premium Motor Spirit
Q	Quarter
UN	United Nations
WASH	Water, Sanitation and Hygiene
UNICEF	United Nations Children's Fund
USD	United States Dollar
VGF	Vulnerable Group Fund

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FOREWORD

As the Country Director of ActionAid Nigeria, I am honored to introduce this report, "Austerity Measures, Poverty, and Gender Inequality in Nigeria." This comprehensive analysis delves into the significant impact austerity measures have had on poverty and gender inequality across our nation. At ActionAid Nigeria, our mission is to eradicate poverty and champion social justice. This report highlights the urgent need for economic reforms that are firmly rooted in human rights, particularly those that prioritize the most vulnerable among us—especially women and girls.

The findings and recommendations presented offer a detailed roadmap for tackling the economic challenges confronting Nigerians. Key actions include the review of the National Social Register, the development of gender, disability, and vulnerability indicators, and the expansion of the economic policy formulation space to encompass diverse stakeholders. The report also underscores the critical need for fostering an inclusive economy, reforming the oil sector, restoring security, and addressing the ongoing food crisis. Additionally, it calls for procurement reforms, improved exchange rate management, and the implementation of progressive taxation as essential steps to counter the effects of austerity, poverty, and gender inequality in Nigeria.


This report is not merely an analysis—it is a clarion call to action. It urges policymakers, stakeholders, and citizens alike to unite in prioritizing the welfare of the most vulnerable, with the goal of creating a more equitable and prosperous society for all. It is only through collective effort that we can build a society where equity and prosperity are accessible to everyone.

We recognise that austerity measures have deepened the scourge of poverty and exacerbated gender inequality. It is our collective duty to confront these challenges headon. At ActionAid, we are committed to partnering with the government, civil society, and other stakeholders to implement the recommendations in this report. We firmly believe that together, we can create a just and equitable society, where every individual is empowered with the resources and opportunities necessary to thrive.

Andrew Mamedu

Country Director,
ActionAid Nigeria

ACKNOWLEDGEMENT

 n behalf of ActionAid Nigeria, I would like to extend my sincere appreciation to the researcher for his dedication and expertise in conducting this study, "Austerity Measures, Poverty, and Gender Inequality in Nigeria". I am grateful for his tireless efforts in gathering and analysing data, and for the thoughtful insights that have enriched our understanding of this critical issue.

I also appreciate the contributions of our team members who reviewed and provided feedback on the research, helping to ensure its quality and relevance to our advocacy work. Your input has been invaluable in shaping this research into a powerful tool for driving positive change.

Thank you to all who have played a role in this research project. We are committed to using these findings to inform our work and advocate for a more just and equitable society in Nigeria.

Judith Gbagidi,
Governance Manager, ActionAid Nigeria

Part One

INTRODUCTION

1.1 Objectives of the Study

The study examines Nigeria's poor macroeconomic fundamentals alongside austerity measures and stagflation as contexts for understanding the deepening poverty and inequality. It specifically investigates how these austerity measures impact women and youth regarding their socioeconomic status.

It seeks to:



Assess the impact of austerity measures on poverty levels in Nigeria, particularly among women and youth.



Assess how austerity measures have affected poverty and gender inequality/disparity, both economically and socially, within the Nigerian context.



Identify coping strategies adopted by women and youth in response to austerity policies.



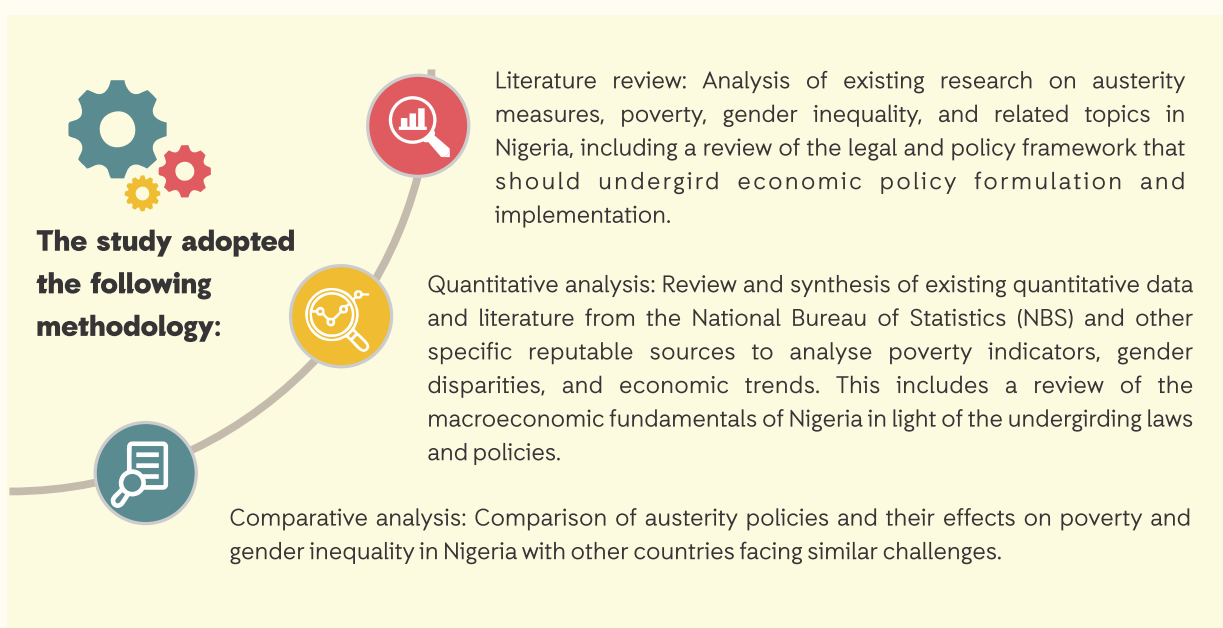
Provide recommendations for policymakers and stakeholders to mitigate the negative effects of austerity measures on vulnerable groups.

In achieving these objectives, the study has the overall goal of contributing to building a just and equitable economic policy environment embedded in a macroeconomic framework devoid of discrimination and inequity where the needs and rights of all members of the Nigerian society - women, men, girls, boys, people with disability and other vulnerable groups - are mainstreamed in policy formulation and implementation. Such a framework should promote the harnessing of the energy of all segments of society for national development. Adjustment or austerity measures need to be formulated and implemented in a way that respects basic livelihood and existential rights. This recognises that macroeconomic frameworks that are not inclusive pose serious dangers to all, especially women, girls, and vulnerable populations. If properly managed, poor economic conditions that could lead to austerity measures might serve as springboards and opportunities for reducing inequality and fostering future economic growth. These conditions outlined would provide opportunities to address corruption and waste effectively. They would allow questioning expenditure decisions and prioritising expenditures based on their contributions to national development

Adapted from the Nigerian National Gender Policy, 2021 - 2026. See the Discrimination against Person with Disabilities (Prohibition) Act, 2018. United Nations Development Program, Human Development Report, 1995.

and sectoral goals. In addition, they aim to reconcile existing measures with the needs of the most vulnerable population to meet minimum core state obligations related to economic, social, and cultural rights. In these circumstances, resources that could have been mismanaged would be allocated for the common good. The study will therefore review extant austerity measures in light of these contexts and goals. Furthermore, the commitment of the previous federal government under Muhammadu Buhari to lift 100 million Nigerians out of poverty is relevant to this study.

1.2 METHODOLOGY



1.3 CONTEXT: OVERALL POVERTY DIMENSION

Poverty is generally viewed in terms of a lack of resources needed to satisfy minimum subsistence rights. These resources are not limited to financial aspects but also include opportunities for human development and access to participate in and benefit from the process of societal development. Seebohm Rowntree's definition of poverty is about:

... a state of household command over resources at a level which is insufficient to obtain a basket of goods and facilities judged to be minimum necessities in the contemporary circumstances of the society under study.

Essentially, poverty is linked to the inadequacy living standards as outlined in many national, regional and international human rights standards. Furthermore, poverty and inequality are connected to the quality and coherence of economic policy choices adopted by a nation.

Cited with approval by Nnamdi Aduba in the Impact of Poverty on the Realization of Fundamental Human Rights in Nigeria, Journal of Human Rights Law and Practice, Vol.3, No.1,2,3 (page 36) of December 1993.
Article 25 of the Universal Declaration of Human Rights and article 11 of the International Covenant on Economic, Social and Cultural Rights, etc.

Poverty and inequality do not just happen; they result from economic, social and political decisions made by the state and citizens. The critical policy decisions reflected in the key macroeconomic indicators show the rate and trend of poverty and inequality. Extant Nigerian negative indicators on gross domestic product (GDP) growth, inflation, interest rate, unemployment, debts and deficits, etc., can only lead to one direction - increased poverty.

The context of the reviews in this part of the study is based on the foregoing fundamental aphorisms on poverty and inequality:

Keeping large numbers of people excluded from access to economic resources, employment, healthcare, adequate food, clean water and sanitation, education, skills, and technology, will result in a reduction of future productive human potential. The post-2015 agenda needs to emphasise that there is a critical need to invest adequately and sustainably in people, recognising that the greatest potential for the most dramatic gains actually exists among those who are the worst off and most excluded.

Well-designed and sustained investments in areas such as maternal and child health, education, and social protection can yield significant dividends, not only for individuals but also for society. For instance, reducing child mortality by 4.25 per thousand live births (i.e. about 5 per cent) among mothers with low levels of education can lead to an almost 8 per cent increase in Gross Domestic Product (GDP) per capita ten years later. In the realm of education, a one-year increase in the average years of schooling has been shown to be associated with a rise in per-capita income of 3-6 per cent, or a higher growth rate of 1 percentage point. Conversely, no society can expect to achieve sustained economic and social progress while significant numbers of its population – often disproportionately women and girls -- are poorly nourished, in poor health, and lack the education and/or skills needed for their own and their families' development.

Nigeria's Multidimensional Poverty Index (MPI) for 2022 found that 63% of the population, amounting to approximately 133mn Nigerians, are multidimensionally poor. The Nigeria MPI encompasses four dimensions: health, education, living standards, and work and shocks. The components of these four dimensions include nutrition and food insecurity, as well as

Budget Inequality Index, 2016; Centre for Social Justice and the Fiscal Responsibility Commission.

United Nations Children's Fund, *Narrowing the Gaps to Meet the Goals: A special report on a new study by UNICEF shows that an equity-focused approach to child survival and development is the most practical and cost-effective way of meeting the health Millennium Development Goals for children* (New York, 2010), available at:

http://www.unicef.org/publications/files/Narrowing_the_Gaps_to_Meet_the_Goals_090310_2a.pdf 20 Grimm, M., "Does inequality in health impede growth?", ISS Working Papers; General Series 501, International Institute of Social Studies of Erasmus University (The Hague; 2010), available at:

<http://hdl.handle.net/1765/19426>

Sianesi, B., and Van Reenen, J., *The Returns to Education: A Review of the Empirical Macroeconomic Literature*, The Institute for Fiscal Studies, (London, 2002), available at:

<http://www.ifs.org.uk/wps/wp0205.pdf>

access to healthcare for their health. In terms of education, it includes school attendance, years of schooling, and educational lag. Living standards encompass water and sanitation, housing, cooking fuel and asset ownership. Lastly, work and shocks include factor such as unemployment, underemployment, and security-related shocks. Thus, the MPI reveals the extensive nature of and depth of poverty in Nigeria. The MPI states:

Multidimensional poverty is higher in rural areas, where 72% of people are considered poor, compared to 42% of people in urban areas. Approximately 70% of Nigeria's population lives in rural areas...; the intensity of rural poverty is also higher, with a rate of 42% in rural areas compared to 37% in urban areas.

Sixty-five per cent of poor people—86 million— live in the North, while 35%—nearly 47 million—live in the South...In terms of the MPI value, which captures the proportion of poor people as well as the intensity of their poverty, the poorest states are Sokoto, Bayelsa, Jigawa, Kebbi, Gombe and Yobe; however, we cannot definitely determine which of these states is the poorest.

The national monthly minimum wage stood at N30,000, which is equivalent to USD 20. In the ongoing negotiations for a new minimum wage, the Federal Government of Nigeria (FGN) has approved N70,000, which is equivalent to USD46.6. There is a freeze on public sector recruitment while FGN considers restructuring ministries, departments and agencies of government (MDAs) through mergers, scrapping, etc., which would reduce the workforce. According to World Bank as at 2023, about 87 million Nigerians were living below the poverty line. This represents 38.8% poverty profile. Furthermore, the World Poverty Clock ranks Nigeria as the poverty capital of the world, with an estimated 87 million people living on less than \$2 a day. Nigeria has not implemented its Social Protection Policy, which adopts the United Nations Social Protection Floor that guarantees a universal minimum package, deploys a life cycle approach, and includes access to education and the right to health, income, security, family and child benefits, unemployment benefit and income security in old age.

The poverty indicators are best demonstrated in the social fields of health, water, sanitation, and hygiene (WASH), education, and access to food. Health is intrinsically linked to the right to life; the easiest way to deprive a person of his or her life is to deny him or her of health-supporting conditions to the point of abrogation. Food is the fuel of life, while education is an empowering right that facilitates the realisation of other rights. Furthermore, corruption, which has contributed significantly to poverty and inequality, will be reviewed. It diverts resources that should have been invested in critical social programmes.

Nigeria Multi-Dimensional Poverty Index at page xiv.

At N1500 to 1USD

Proposed implementation of the Oronsaye Committee Report on the Restructuring of Federal Ministries, Departments and Agencies of Government.

<https://www.worldbank.org/en/country/nigeria/overview#:~:text=The%2>

Revised National Social Protection Policy, 2021.

Box 1: Critical Health and WASH Challenges

- On the one hand, Nigeria's out-of-pocket health expenditure is estimated at 70.52%, thereby exposing the majority of the population to catastrophic health expenditure. On the other hand, less than 10% of the population is covered by any type of health insurance. The compulsory health insurance provisions of the National Health Insurance Authority Act (NHIAA) have not been implemented. The Vulnerable Group Fund provisions of the NHIAA have not been established, while the Basic Health Care Provision Fund (BHCPF) has provided services for less than 5% of the vulnerable population.
- Average federal budgetary expenditure proposals for the health sector in the last ten years are less than 6% of the budget. Public and private financing to achieve universal health coverage has not been deployed.
- The doctor-patient ratio stands at 0.3 to 1, 000 people, requiring an additional 149,700 doctors to achieve 1: 1, 000 ratio. The nurse-to-patient ratio stands at 1:1,160. However, Nigeria is actively exporting doctors and nurses to wealthier nations. Thousands of doctors, nurses, and other healthcare professionals leave Nigeria yearly ,but the public health authorities have hardly recruited new professionals to fill the emerging gaps.
- Current macroeconomic indicators, including high inflation, interest rates, unemployment, etc., make it very difficult for average individuals to afford healthcare services. Inadequate infrastructure and a shortage of trained healthcare professionals hinder the healthcare sector to meet the growing demand for services.
- Maternal mortality stands at 1,047 deaths per 100,000 live birth compared to the Sustainable Development Goal (SDG) maternal mortality ratio target of less than 70 per 100,000 live births.
- Infant and child mortality rates are 63 deaths per 1,000 live births and 42 deaths per 1,000 live births, respectively.
- Acute malnutrition remains a critical challenge, and Nigeria is currently facing a food crisis that hampers its ability to adequately feed its population.

Budget Office of the Federation of Nigeria-<https://budgetoffice.gov.ng/>

Illustrative deficit using the average doctor patient ratio in Turkey, South Africa, Kenya, Indonesia and Mexico.

Presidential Health Reform Committee Report, May 2023. See also the LANCET: A call for reform in Nigerian medical doctors' work hours by Nicholas Aderinto; Emmanuel Kokori and Gbolahan Olatunji. Published: February 24, 2024 DOI: [https://doi.org/10.1016/S0140-6736\(23\)02558-8](https://doi.org/10.1016/S0140-6736(23)02558-8)

Presidential Health Reform Committee Report, May 2023 at Page 109.

World Health Organization Analytical Fact Sheet – March 2023 . The SDGs demand that by 2030, Nigeria reduces the global maternal mortality ratio to less than 70 per 100,000 live births

Multiple Indicator Cluster Survey (MICS) 2021 .

- In terms of communicable diseases, Nigeria ranks 6th among the 30 countries with the highest tuberculosis (TB) burden in the world and first in Africa.
- Non-communicable diseases (NCDs) accounted for approximately 29% of all deaths in Nigeria, with cardiovascular diseases responsible for 11%, cancers accounting for 4%, chronic respiratory diseases for 2%, and diabetes for 1%.
- Population using safely managed sanitation services - 43% as at 2022.
- “Nigeria is making some progress in improving access to WASH, with 70% of Nigerians having access to basic drinking water services. However, the amount and quality of water for individual use are lower than the required standard (UNICEF, 2019). The average amount of water each person receives in Nigeria is 9 litres per day. The minimum acceptable range is between 12 and 16 litres per day, according to national standards. At least 167 million people do not have access to handwashing facilities”
- Life expectancy at birth is 54.5 years.

The above indicators point to a poor realisation of the right to health. Box 1 highlights the clear need for improved health governance, financing, and reforms aimed at improving the quality of life for the average Nigerian. Box 2 reviews some critical education indicators.

Box 2: Critical Education Challenges

- Out-of-school children are reported at over 20mn.
- The percentages for participation in early childhood education, organised learning (aged 5), primary, junior secondary, and senior secondary stood at 37.8%, 63.2%, 68.4%, 47.6%, and 46.7%, respectively.
- A shocking 28.7% of all school-aged children whose data are included in the Multidimensional Poverty Index (MPI) survey are not attending school. This is closely linked to multidimensional poverty: 94% of all out-of-school children are poor. Consequently, 27% of all school-aged children are both poor and out of school, highlighting this as a key area in need of urgent investment.
- The literacy rate for women is 42.5% and literacy rate for men is 55.2%
- The disaggregation of out-of-school children by gender reveals that the percentage of out-of-school male children is 37.3%, whereas the percentage of female children is 36.2%.

Presidential Health Reform Committee Report, supra.

Presidential Health Committee Report, supra.

Presidential Health Committee Report, supra.

MPI at page 9.

MICS, 2021.

MPI at page 38.

MICS, 2021.

MICS, 2021.

- The disaggregation of out-of-school children by zones: North-Central is 31.7%; North-East is 60.2%; North-West is 58.4%; South-East is 15.8%; South-South is 7.6%; and South-West 12.1%.
- Primary school attendance rate is 68.4%; primary school completion rate is 73.1%; secondary school attendance rate is 47.6%; lower secondary school completion rate is 67.7%, and upper secondary school completion rate is 53.6%.
- The pupil/student-to-teacher ratio is as follows: in public schools, the primary is 40:1; junior secondary is 21:1. In private schools, the primary ratio is 21:1; junior secondary is 11:1.

In terms of access to adequate food, the data on child malnutrition in Nigeria indicates stunting at 34.2%; overweight at 2.2% and wasting at 6.5%. The right to food implies that people should be in a position to grow their own food or have the means to purchase food. The prevailing conditions in Nigeria—insecurity arising from the activities of bandits and herders—prevent farmers from growing their own food, while high inflation and shrinking purchasing power prevent citizens from buying food. The situation constitutes a violation of the right to food. The Food and Agriculture Organisation states that granting women the same access to agricultural resources and opportunities as men would increase agricultural production by about 20-30%. Increased gender equality in rural households and communities promotes food security, better living conditions and resilience to the impacts of climate change. Furthermore, the World Food Program states:

Conflict and insecurity, rising inflation and the impact of the climate crisis continue to drive hunger in Nigeria, with 26.5 million people across the country projected to face acute hunger in the June–August 2024 lean season. This is a staggering increase from the 18.6 million people food insecure at the end of 2023...Insurgent activities have added pressure to a fragile resource environment, deepened insecurity, hampered development, and heightened the food and nutrition insecurity of vulnerable women and children.

Nigeria has recorded many cases of massive corruption and scores poorly on the Corruption Perception Index of Transparency International. In 2023, it scored 25 out of a possible 100 marks and was ranked 145 out of 180 countries assessed. It has only recorded a marginal improvement of +1 since 2022. In the Report of the Pilot Corruption Risk Assessment in

MICS, 2021.

MICS, 2021.

Source: UNESCO; Education Sector Analysis of the Federal Republic of Nigeria, 2021 <https://unesdoc.unesco.org/ark:/48223/pf0000379618>

World Health Organization; Levels and Trend in Child Malnutrition – key findings of the 2023 edition <https://iris.who.int/bitstream/handle/10665/368038/9789240073791-eng.pdf?sequence=1>

FAO 2011 cited with approval in Achieving Food Security and Gender Equality: Practical guidance to the implementation of the Brot für die Welt policies


<https://www.wfp.org/countries/nigeria>; boldening supplied for emphasis.


See Nigeria's scores on the Corruption Perception Index, 2021, 2022, and 2023 - <https://www.transparency.org/en/countries/nigeria>


Selected MDG-Related MDAs of Water Resources, Health and Education Sectors, issues of abuse of public procurement rules, lack of transparency and accountability, non-adherence to public service rules and financial regulations, outright theft of public resources and impunity were identified as contributing to Nigeria's poor performance in the aforementioned sectors. In the recent survey, Corruption in Nigeria: Patterns and Trends, corruption was rated as the fourth most important problem after cost of living, crime/insecurity and unemployment. The report states that in 2023, 34 per cent of citizens in contact with public officials paid a bribe or were asked to pay a bribe and refused. Recently, the Ministry of Humanitarian Affairs, Disaster Management and Social Development witnessed corruption scandals exceeding N40 billion, leading to the suspension of the minister in charge. This is a ministry whose core mandate focuses on the alleviation of poverty, reduction of inequality and tending to the needs of the vulnerable and the poorest of the poor.

Recent corruption scandals include:

Nigeria Extractive Industries Transparency Initiative disclosed in a December 2022 statement that about 619.7 million barrels of crude oil, valued at \$46.16 billion or N74.13 trillion, have been stolen in the last 12 years. This averages N5.77 trillion annually.

- 

01. Continuing theft of crude oil of not less than 400,000 barrels per day at an average price of \$80 per barrel.
- 

02.
- 

03. The pending N109 billion fraud charge against Ahmed Idris, former Accountant General of the Federation.

Essentially, these diverted sums of money translate to millions of infants, children and mothers not being vaccinated; thousands of classrooms not built and new teachers not hired; employment opportunities for youth not delivered and the poor and vulnerable without social support.

1.4 The Gender Dimension

Gender inequality is deeply entrenched in Nigeria's patriarchal society, with women facing systemic challenges and discrimination in virtually all spheres of life, including education, health, employment, inheritance, and property rights, etc. It flows from the trajectory of the increasing national poverty that the female gender which at the best of times was

Undertaken in 2015 by the Independent Corrupt Practices and other Related Offence Commission, Technical Unit on Governance and Anti-Corruption Reforms, United Nations Development Programme and Bureau of Public Procurement.
 Third survey on corruption as experienced by the population published July 2024; undertaken by the National Bureau of Statistics, United Nations Office on Drugs and Crime and FGN.
 This scandal involved Betta Edu- the minister, her predecessor, Sadiya Umar-Farouq, and the Coordinator of the National Social Insurance Programmes Agency, Halima Shehu.
 The Naira value is derived from multiplying the dollar with the current exchange rate as announced by the Central Bank of Nigeria at the Nigerian Customs Service website (5/08/2024).

barely surviving bears a larger share of the hardships associated with poverty. In the Global Gender Gap Index (GGGI) 2023, Nigeria is described as follows:

Nigeria's parity is at 63.7% (130th), 1 percentage point lower than its 2013 level. Since then, parity on the Political Empowerment subindex has receded from 11.9% to 4.1% due to a decline in parity in both parliamentary and ministerial positions. Furthermore, parity in Educational Attainment has been fluctuating in recent years and has only marginally improved over the last decade; currently, its 82.6% parity is one of the lowest in the world. Its absolute levels of women's literacy rates and enrolment rates across levels of education have also been lagging. Nigeria has perfect parity for the sex ratio at birth, which has contributed to a 96.7% parity on the Health and Survival subindex. In addition, with a global ranking of 54th, its Economic Participation and Opportunity score (71.5%) has experienced both advances and setbacks over the last decade. Nigeria has more than 64% representation of women in senior positions, but women earn only 50% of the income earned by men.

In 2024, the Global Gender Gap Index (GGGI) describes Nigeria's progress as follows:

Nigeria (125th) has climbed five ranks and improved last year's score by +1.3 percentage points, resulting in overall gender parity in 2024 of 65%, with positive changes in the Political Empowerment dimension, Educational Attainment, and Economic Participation and Opportunity. The Sub-Saharan economy has made notable strides in Economic Participation and Opportunity, where it records 72.6% of the gap closed, placing it 49th globally on the subindex. ...However, significant gender gaps persist in professional and technical workers, with parity at only 62.6%, as well as in estimated earned income, which stands at 50.1%. With relatively high labour-force participation rates for both men and women, parity on this indicator stands at 89.9%, ranking 13th highest overall. In Educational Attainment, gender parity reaches 84.2%, resulting in Nigeria placing just eight ranks above the lowest performer. A persistent gender gap is observed in literacy rates (73.9%), with women lagging far behind men. Secondary education enrollment parity is 98.9%, while tertiary education enrollment reaches 72.6%. In Health and Survival, Nigeria scores 96.7%; it achieves the highest score in sex ratio at birth but lags in parity in healthy life expectancy. In Political Empowerment, Nigeria ranks among the bottom 10 performers (136th) with a parity score of 6.6%, but there have been improvements, particularly in ministerial positions since 2023, with women's representation rising from 10.7% in 2023 to 17.6% in 2024 (score change from 12% to 21.4%).

Agriculture employs about 40% of the Nigerian population, being the largest employer of labour. Women constitute about 70% of the agriculture workforce, especially in the rural areas. However, the male gender dominates access to land, inputs, credit, outputs and earnings in the sector.

See the Global Gender Gap Index (GGGI) 2023 at page 29.
See the Global Gender Gap Index (GGGI) 2024 at page 33.
Nigerian Gender Policy in Agriculture and National Gender Policy, 2021-2026.

The study deploys data in health and education as critical indicators of progress.

A. Health: In healthcare, the following data and statistics show the trend:



The maternal mortality rate in Nigeria is 1,047 deaths per 100,000 live births. The percentage of women aged 15-49 years with a live birth in the last 2 years who were attended by skilled health personnel during their most recent live birth stood at 51%, while the percentage whose most recent live birth was delivered in a health facility (institutional delivery) was 49%.



Marriage by age 18 stands at 33.7% while marriage by age 15 is 12%.



Related to maternal health is child health which has the following statistics: "Infant mortality rate is 63 deaths per 1,000 live births for the 5-year period preceding the MICS survey, while the under-5 mortality rate (U5MR) for the same period is 102 deaths per 1,000 live births. The Neonatal mortality rate is 34 deaths per 1000 live births. Child mortality is 42 deaths per 1,000 live births. This implies that about 1 in 10 children in Nigeria die before their 5th birthday".



Nigeria contributes 40% of the world's vesicovaginal fistula scourge.

B. Education: According to MICs 2021, the overall literacy rate for women is 42.5%, with 57.5% being illiterate. For men, the overall literacy rate is higher at 55.2%, with 44.8% being illiterate. Among women aged 15-24, the literacy rate is 50.5%, with 49.5% being illiterate. In the same age group, men have a literacy rate of 55.0%, with 45.0% being illiterate. For women aged 15-19, the literacy rate is 51.7%, closely matching the men's literacy rate of 51.7%. In the 20-24 age group, women's literacy rate drops to 48.8%, while men's literacy rate increases to 60.0%. For the 25-34 age group, the literacy rate for women is 41.3%, while for men it is 58.6%. Among women aged 35-49, the literacy rate is 34.3%, whereas for men it is 53.1%. In urban areas, women's literacy rate stands at 62.0%, significantly higher than the rural literacy rate of 26.0%, while men in urban areas have a literacy rate of 72.3%, also notably higher than the rural literacy rate of 41.4%.

The foregoing data point in the direction of declining standards of living for women and girls. It calls for strategic action at all tiers of government and in the private sector to mainstream the rights and needs of women and girls and other vulnerable groups into economic, political and social policy frameworks – from formulation and planning to implementation, monitoring, evaluation and reporting.

1.5 The Youth Dimension

The Nigerian Youth Policy (NYP) 2019 reclassified the age of youth from 18 – 35 years to 15 – 29 years. These years represent the second part of the critical formative years of learning, skills acquisition, and character formation. The NYP 2019 is designed with the goal of providing an appropriate framework that protects the fundamental human rights of all youth, promotes their optimal development and well-being, and enhances their participation in every sphere of the national development process.

In education, the poor funding of the sector across the three tiers of government hampers the first pillar of the NYP which is a productive workforce and sustainable economic engagement of Youth. At the tertiary level, despite an increase in the number of universities from 51 in 2005 to 150 in 2024, hundreds of thousands of aspiring youths are unable to get admission annually into tertiary institutions. Table 1 tells the story.

Table 1: Statistics of Performance in the UTME Examination

Year	Total Candidates	Passed (Score > 200)	Failed (Score < 200)	Percentage Pass Rate	Male Candidates	Female Candidates	Source URLs
2018	1,662,762	376,950	1,285,812	22.67	881,005	781,757	JAMB 2018 Report
2019	1,886,211	438,926	1,447,285	23.27	982,418	903,793	JAMB 2019 Report
2020	1,949,983	415,500	1,534,483	21.31	1,002,674	947,309	JAMB 2020 Report
2021	1,415,501	400,517	1,014,984	28.30	741,424	674,077	JAMB 2021 Report
2022	1,761,338	378,639	1,382,699	21.50	927,273	834,065	JAMB 2022 Report
2023	1,592,529	377,135	1,215,394	23.68	842,947	749,582	JAMB 2023 Report

From Table 1, the average percentage of students who passed the examinations was 23.4%. This indicates very poor learning quality and outcomes. The youth, the leaders of tomorrow, do not seem to be adequately equipped and educationally prepared for the future.

The average funding of the sector from 2015 to 2024 has been 7.74% of overall federal budget. This is different from actual money dedicated to education which is less than the budgeted sum.

In Q2, 2020, Labour Force Statistics Report, the unemployment rate among young people (15-34years) was 34.9%, up from 29.7%, while the rate of underemployment for the same age group rose to 28.2% from 25.7% in Q3, 2018. These rates were the highest when compared to other age groups . Young people have been particularly affected throughout this period. The unemployment rate for people aged 15 to 24 was estimated at 53.4% in 2020. At the state level, the highest unemployment rates in 2020 at the start of the COVID-19 pandemic were recorded in Imo (56.6%), Adamawa (54.9%) and Cross River (53.7%). The lowest rates were recorded in Osun (11.7%), Benue (12.0%) and Zamfara (13.0%).

Part Two

LEGAL AND POLICY FRAMEWORK

2.1 Introduction

Legal and policy frameworks govern every aspect of human endeavour and social interactions, including the economy, macroeconomic policy and governance decisions affecting livelihoods, poverty, gender, disability, inclusivity, and adequacy of the standard of living. There is an expectation in economic governance that laws, policies and plans should find resonance in the budget to allocate resources behind policy frameworks. The critical submission is that a rule-of-law approach should guide economic decision-making. Otherwise, adjustment and austerity measures become guided by the rule of thumb. This part briefly reviews a few extant laws and policies that govern economic policy, poverty reduction and enhancement of economic growth with inclusivity.

2.2 National Laws and Policies

The Constitution of the Federal Republic of Nigeria, 1999, is the supreme law, the grundnorm, and in the hierarchy of laws, it authenticates other laws. Any law that is inconsistent with the provisions of the Constitution is void to the extent of the inconsistency with the Constitution. Under the Fundamental Objectives and Directive Principles of State Policy, the Constitution in Section.14 (2) (b) provided that the security and welfare of the people shall be the primary purpose of government. The economic objectives of State under Section.16 of the Constitution include the following:

- (1) *The State shall, within the context of the ideals and objectives for which provisions are made in this Constitution-*
 - (a) *harness the resources of the nation and promote national prosperity and an efficient, a dynamic and self-reliant economy;*
 - (b) *control the national economy in such manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity;*

- (2) *The State shall direct its policy towards ensuring-*
 - (a) *the promotion of a planned and balanced economic development;*
 - (b) *that the material resources of the nation are harnessed and distributed as best as possible to serve the common good;*
 - (d) *that suitable and adequate shelter, right to food and food security, reasonable national minimum living wage, old age care and pensions, and unemployment, sick benefits and welfare of the disabled are provided for all citizens.*

The dynamics of this provision include education, food, health, income, etc., security.
Per Uwaifo J.S.C. in Attorney General Ondo State v Attorney General Federation (2002) 9 N.W.L.R (Pt.772) 222 at 391.
.S.42 of the Constitution of the Federal Republic of Nigeria 1999 as amended.

Although the Fundamental Objectives and Directive Principles of State Policy are not justiciable as they cannot found a claim in a court of law, the executive and legislature are however under obligation to make and implement economic austerity/adjustment laws and policies that guarantee the respect of the obligations. The Supreme Court has stated as follows of the obligations:

The Constitution itself has placed the entire Chapter 11 under the Exclusive Legislative List. By this, it simply means that all Directive Principles need not remain mere or pious declarations; it is for the Executive and the National Assembly, working together, to give expression to any of them through appropriate enactment as occasion may demand.

The Constitution, in light of the above, has made provisions covering the right to food, social security, adequate housing, a minimum wage sufficient for workers to support themselves, etc. Furthermore, the Constitution provides a non-discrimination clause based on a number of considerations, including gender, place of origin, religion, etc.

The Central Bank of Nigeria Act 2007 states the objectives of the CBN to include the following: ensure monetary and price stability; issue legal tender currency in Nigeria; maintain external reserves to safeguard the international value of the legal tender currency; promote a sound financial system in Nigeria; and act as banker and provide economic and financial advice to the Federal Government. Monetary and price stability are inconsistent with policies that increase inflation and interest rates. By Section.12 of the CBN Act, in order to facilitate the attainment of the objective of price stability and to support the economic policy of the Federal Government, the Monetary Policy Committee is established with the responsibility of formulating monetary and credit policy. The policies to be formulated by the Committee are in furtherance of the objectives of the CBN and the overall economic policy guidance of Section.16 of the Constitution.

The Compulsory, Free Universal Basic Education Act of 2004 makes basic education compulsory and free for all Nigerian children, including girls and a special fund is set aside by the Federal Government which is shared with the thirty-six states of the Federation to augment their investments in basic education. The National Health Act establishes a National Health System which is inter alia charged with providing persons living in Nigeria with the best possible health services within the limits of available resources and protecting, promoting, and fulfilling the rights of all Nigerians to have access to healthcare services. It provides for the establishment of the Basic Health Care Provision Fund for the vulnerable. The National Health Insurance Authority Act makes health insurance universal and compulsory to ensure that out-of-pocket expenditure is reduced to a minimum while establishing a Vulnerable Group Fund to take care of persons who do not have the resources to pay health insurance premiums. Policies on education, health, gender, social protection, youth and laws prohibiting discrimination against persons with disabilities (PWD) all make provisions to inform sound economic policies.

Article 26 of the 1969 Vienna Convention on the Law of Treaties - Every treaty in force is binding on the parties to it and must be performed by them in good faith.

Adopted and opened for signature, ratification and accession by General Assembly Resolution 2200A (XX) of 16 December 1966, entry into force; 3 January 1976 in accordance with article 27.

2.3 International and Regional Standards

Nigeria is expected to review its domestic laws and policies either before signing international and regional treaties or shortly thereafter, after signing, ratifying or accession to treaty obligations. A nation cannot plead its domestic law as the reason for violating international treaty obligations that it has voluntarily entered into. The guiding principle is *pacta sunt servanda*, as agreements are sacred and expected to be implemented in good faith.

Nigeria is a state party to the International Covenant on Economic, Social and Cultural Rights (ICESCR), which appears to be the most comprehensive treaty guiding economic and social governance. Nigeria is also a state party to the Convention on the Elimination of All Forms of Discrimination against Women, the African Charter on Human and Peoples Rights, etc. The ICESCR will be used to review Nigeria's obligations in an austere or adjustment period. In General Comment No. 3, the Committee on Economic, Social and Cultural Rights (CESCR) stated emphatically that:

The Committee notes that the undertaking "to take steps... by all appropriate means, including particularly the adoption of legislative measures" neither requires nor precludes any particular form of government or economic system being used as the vehicle for the steps in question, provided only that it is democratic and that all human rights are thereby respected. Thus, in terms of political and economic systems, the Covenant is neutral, and its principles cannot accurately be described as being predicated exclusively upon the need for, or the desirability of a socialist or a capitalist system, or a mixed, centrally planned, or laissez-faire economy, or upon any other particular approach. In this regard, the Committee reaffirms that the rights recognised in the Covenant are susceptible to realisation within the context of a wide variety of economic and political systems, provided only that the interdependence and indivisibility of the two sets of human rights, as affirmed inter alia in the preamble to the Covenant, are recognised and reflected in the system in question. The Committee also notes the relevance in this regard of the other human rights and, in particular, the right to development.

Essentially, economic systems and their reforms are not intrinsically tied to violations of economic and social (ES) rights. It is more about how the reforms are framed and implemented and how the benefits and proceeds of the reforms are distributed and utilised for the common good.

2.4 Nature of State Obligations

In delineating the nature of state obligations on ES Right, resort must be made to article (2) 1 of the ICESCR which states that:

Each State Party to the Present Covenant undertakes to take steps individually and

Adopted and opened for signature, ratification and accession by general assembly resolution 34/180 of 18 December 1979. Entry into force on 3 September 1981 in accordance with article 27 (1).

Adopted at Nairobi on 26 June 1981; entry into force on 21 October 1986, in accordance with article 63. The Limburg Principles on the Implementation of ICESCR, UN Document E/CN 4/1987/17

collectively and through international assistance and cooperation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.

An examination of the operative phrases in this article will follow.

A. To the Maximum of Available Resources: The phrase “maximum of available resources” recognises the difference in wealth and resources available to the different countries in the world that are State Parties to the ICESCR. In accordance with the Limburg Principles, states are obligated, regardless of economic development, to ensure respect for minimum subsistence rights for all. Resources include what can be sourced locally, as well as from aid and general international cooperation. Resources can be classified into different categories: human, technological, information, natural and financial resources . For a State Party failing to meet its obligations regarding the right to education, health or adequate food to rely on a lack of resources, it must show that every effort has been made to use all the resources at its disposal to satisfy the minimum core obligation. In times of grave economic crisis and austerity, vulnerable groups are still entitled to subsistence rights through the state's adoption of low-cost measures. The question of prioritising the expenditure of the state becomes relevant here. It has been noted that corruption absorbs a lot of resources that could have been invested in ES rights, among other things. In these circumstances, it would be problematic for Nigeria to plead the unavailability of resources as a reason for inadequate standards of living while refusing to address the leaking pipes of corruption.

B. To Achieve Progressively the Full Realisation of ES Rights: The progressive realisation phrase is not to be interpreted as meaning an indefinite postponement of action to realise the right to an adequate standard of living. Rather, it obliges states parties to move immediately and as expeditiously as possible towards the realisation of the right. The obligation exists independently of an increase in resources, requiring effective use of available resources and developing societal resources for the realisation of ES rights. The concept of progressive realisation is a recognition of the fact that full realisation of ES Rights will generally not be achieved in a short time. However, issues surrounding non-discrimination, access to information, equity, and equality do not require progressive realisation but are capable of immediate implementation. The progressive realisation is a “forward ever, backward never” principle, permitting no retrogressive policies that detract from or derogate already entrenched rights, unless they can be justified by reference to higher human rights norms.

See Roberts E. Robertson “Measuring State Compliance with the Obligation to Devote the Maximum of Available Resources to Realising Economic, Social and Cultural Rights (1994) 16 HUM RTS.Q 693, 695-697.

See General Comment No. 3 of the UN Committee on ESCR, adopted at the Fifth Session of the ESCR Committee in 1990, UN Doc E/199/123, Annex 111, para 10.

See Principles 21-24 of the Limburg Principles.

See para 9 of General Comment No. 3 of the UN Committee on ESCR.

Para 10 of General Comment No.9 of the ESCR Committee on the Domestic Application of the ICESCR adopted December 3 1998; UN document E/C.12/1998/24.

C. To Take Steps... By all Appropriate Means, including particularly the Adoption of Legislative Measures: The phrase recognises the need for the state to take deliberate, concrete, and targeted steps that are as clear as possible towards meeting the obligation to protect ES rights. It acknowledges legislation as an important step while not limiting the actions to be taken by states parties to legislation alone. It is expected that state parties, before ratification or immediately after ratification of the ICESCR, should bring their domestic law in conformity with the requirement of the Covenant. Other means to be adopted by the state may include administrative, judicial, economic, social, and educational measures consistent with the nature of the right to an adequate standard of living.

The State is also under an obligation to provide an effective remedy to persons whose ES Rights have been violated, and this may include judicial remedies. States enjoy a margin of discretion in the selection of the means and methods for implementing obligations on the right to an adequate standard of living under the ICESCR.

While the most appropriate means of achieving the full realisation of the ES Rights will inevitably vary significantly from one state party to another, the ICESCR clearly requires that each state party take whatever steps are necessary for that purpose.

D. Non-Discrimination in the Enjoyment of Rights: The rights specified in the ICESCR and other international standards, including CEDAW, the Convention on the Rights of the Child, and the Convention on the Rights of Persons with Disabilities, etc., are to be enjoyed and realised without discrimination on any of the prohibited grounds. CEDAW's Article 4 (1) provisions on affirmative action encourage steps, measures, policies, and targeted actions to accelerate de facto equality between men and women. The same principle is also enshrined in Article 5 (4) of the Convention on the Rights of Persons with Disabilities.

2.5 Layers of Obligations

In accordance with the Maastricht Guidelines, there are three layers of obligations in matters of ES Rights. They are the obligations to respect, protect, and fulfil. Failure to perform any one of the three obligations constitutes a violation of such rights. The obligation to respect requires states not to interfere with the enjoyment of already existing ES Rights. Thus, the state is to refrain from denying or limiting equal access for all persons, including women, children, vulnerable groups, detainees, minorities etc., to, for example, the right to health—preventive, curative, and palliative health services; abstaining from enforcing discriminatory state practices as state policy; and abstain from imposing discriminatory practices relating to women's health and status. A massive devaluation of a national currency that clearly and arbitrarily reduces the savings of workers and pensioners without accompanying compensatory mechanisms is a violation of the obligation to respect.

General Comment No. 3 of the UN ESC Rights Committee (Supra).

Adopted December 2006 at the Sixty-first session of the General Assembly by resolution A/RES/61/106. Nigeria ratified the Convention on 30 March 2007. Discrimination Against Persons with Disabilities (Prohibition) Act, 2018 domesticates the Convention.

The Maastricht Guidelines 1997 on Violations of Economic, Social and Cultural Rights. The Guidelines were adopted by a group of over thirty experts who convened from 22–26 January 1997 in Maastricht on the occasion of the Limburg Principles' 10th anniversary. See UN document E/C.12/2000/13 by the Committee on Economic, Social and Cultural Rights (CESCR).

The obligation to protect stresses the need to ensure that third parties (non-state actors) do not infringe upon the enjoyment of ES Rights. In essence, this is about the state's obligation to adopt legislation and policies; to ensure that third parties do not violate people's ES Rights or exploit them through abuse of market processes; to maintain ethics and standards to abolish harmful traditional practices and gender-based violence; to control pollution and environmental degradation; and to ensure that herders and various criminals do not prevent citizens from farming, etc. Ensuring transparency and accountability through increased access to ES Rights. Related public finance information will facilitate the implementation of the obligation to protect ES Rights. The state needs to reconcile its treaty obligations with agreements to be entered into with international finance institutions such as the IMF/World Bank.

The obligation to fulfil requires states to take positive steps to realise ES Rights. It is expected of states to take positive measures, including appropriate budgeting by dedicating the maximum of available resources, implementing plans and policies, promoting factors that foster ES Rights, such as equitable taxation, disseminating appropriate empowering information, and supporting people in making informed choices about their ES Rights, etc.

Lack of access to resources has been touted as one of the main reasons for the non-implementation of the ES Rights. Although this argument, to a great extent, lacks merit since no human rights are cost-free, it is pertinent to point out that the duties to respect and protect the ES Rights can be implemented without expending too many resources. The obligation to respect is a negative duty (freedom from discrimination, for instance, requires no resources), while the obligation to protect imposes no greater burden than that incurred through the normal law enforcement mechanism. It is only fulfilment-bound obligations that directly require resources to implement. In a state like Nigeria, proper management of financial and other resources and mobilisation of available human resources (including reduction of brain drain and loss of critical personnel to foreign countries) can go a long way in addressing the problems raised by lack of resources.

2.6 The Minimum Core Content of ES Rights and Minimum Core State Obligation

There is a duty to satisfy what the ICESCR has identified as the minimum core obligation/content of the Covenant's articles to wit; a minimum core obligation to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights. The Committee went ahead to state that if the ICESCR were to be read in such a way as not to establish such a minimum core obligation, it would be largely deprived of its *raison d'être*. Thus, the minimum core obligation is the threshold below which no state will be allowed to descend. It is an obligation that must be met regardless of the resources available to the state. The right to a contextual adequate standard of living seems to encapsulate the big picture of the minimum core content of ES Rights. Regarding the right to health, primary health care (PHC) has been identified as part of the minimum core obligation of the right to health. Basic education has been identified as a fundamental component of education. Other health-determining and supporting factors identified as part of the minimum core obligation of the right to health include essential foodstuffs (nutrition), basic shelter, and other necessities.

Furthermore, regarding the right to health, if the state adopts a whole-of-government, health-in-all policies and a whole-of-society approach to health, it will take a significant step towards fulfilling its obligations and, at a minimum, to meet its minimum state obligations that will implement the minimum core content of the right. This is also applicable to gender, disability, and vulnerability issues where a whole-of-government, a whole-of-society approach, and mainstreaming these issues will represent significant steps towards meeting the minimum core obligations of the state.

Part Three

THE MACROECONOMIC FUNDAMENTALS IN LIGHT OF LAW AND POLICY

3.1 Background

Part Three reviews the state of Nigeria's macroeconomic fundamentals that set the stage for massive poverty, deprivation, and accentuation of gender inequity. The indicators include the GDP growth rate, exchange rate, inflation rate, monetary policy rate, unemployment, public debts, and deficits. It reviews the austerity and adjustment measures currently in place in light of national and international standards vis-à-vis, laws, policies, binding treaties, and declarations that regulate economic policy. Nigeria is going through a stagflation characterised by high inflation, low economic growth, and high unemployment. This appears to have been caused by poor economic policy choices that converged these critical economic challenges at the same time.

3.2 GDP Growth Rate

Nigeria is home to about 228 million people in 2024, disaggregated into 50.6% male and 49.4% female. The population growth rate averages 2.4% per annum. Nigeria's GDP in 2015 was estimated at \$493.03bn compared with the 2023 estimate of \$362.81 bn.

Table 2: Nigeria's GDP Growth Rate 2015 to 2023

Year	GDP Growth (%)	Year	GDP Growth (%)
2015	2.7	2020	-1.8
2016	-1.6	2021	3.6
2017	0.8	2022	3.3
2018	1.9	2023	2.9
2019	2.2	2024	-

Source: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=NG>

Table 2 shows the sluggish growth of the GDP over the years. While a double-digit growth rate is required or at least, not less than 7% growth rate, for poverty reduction, assuming that there are concrete and targeted steps to reduce poverty and inequality, the average growth rate since 2015 has been 2.4%, with the exception of the recession years when growth was negative. The country experienced two economic recessions in 2016 and 2020, and the second recession was compounded by the COVID-19 pandemic.

The central poser in the shrinking economic growth scenario is whether Nigeria has been deploying the maximum of its available resources for increasing growth, productivity, and

enhancing its revenue profile. While the oil and gas sector accounts for less than 10% of the GDP, it contributes about 60% of revenue and 90% of foreign exchange earnings in an import-dependent economy. Over the years, declining oil production and large-scale oil theft have resulted in reduced government revenue and foreign exchange earnings, as well as the inability to meet the country's quota with the Organisation of the Petroleum Exporting Countries (OPEC). Table 3 shows Nigeria's oil production from 2015 to date.

Table 3: Nigeria's Crude Oil Production (2015 – 2024)

Year	Prod (mbd) Jan.	Prod (mbd) Feb.	Prod (mbd) Mar.	Prod (mbd) Apr.	Prod (mbd) May	Prod (mbd) Jun	Prod (mbd) Jul	Prod (mbd) Aug	Prod (mbd) Sep	Prod (mbd) Oct	Prod (mbd) Nov.	Prod (mbd) Dec.
2015	2.2	2.21	2.07	2.03	2.05	1.97	2.18	2.12	2.22	2.21	2.18	2.08
2016	2.15	2.11	1.92	1.99	1.68	1.77	1.65	1.5	1.75	1.78	1.92	1.58
2017	1.84	1.82	1.6	1.79	1.87	1.95	2.01	1.99	1.93	1.95	1.96	1.96
2018	2.0	2.01	1.94	1.97	1.78	1.78	1.83	2.0	1.96	2.01	1.8	1.9
2019	1.95	1.99	2.02	1.94	1.94	2.09	2.11	2.09	2.07	2.05	1.94	1.96
2020	2.07	2.07	2.04	2.04	1.75	1.69	1.65	1.65	1.54	1.61	1.54	1.42
2021	1.36	1.42	1.43	1.37	1.34	1.31	1.32	1.24	1.25	1.23	1.23	1.2
2022	1.4	1.26	1.24	1.22	1.02	1.16	1.08	0.97	0.94	1.01	1.19	1.24
2023	1.27	1.29	1.27	1.01	1.19	1.26	1.09	1.18	1.35	1.35	1.25	1.34
2024	1.43	1.32	1.23	1.28	1.25	1.28						

Source: <https://www.cbn.gov.ng/rates/crudeoil.asp?year=2015> .*** Data for April 2023 is missing.

With relatively high oil prices, the way out of persistent austerity in the short term includes investing in, properly managing, and accounting for the proceeds of oil and gas. Metering of relevant oil production facilities and installations and their coverage, and monitoring through technology will curb oil theft. This will be complemented by an even-handed administration of criminal justice when oil thieves are apprehended.

Furthermore, there is a need to review the public model of investment in the oil sector. The Nigerian National Petroleum Corporation (NNPC) needs to be restructured to become a properly defined oil company—to invest in, manage, and run oil exploration and extraction. The oil belongs to the people of Nigeria through a constitutional guarantee—developmental oil. A situation where the government receives minimal rents from the proceeds of extraction whilst major oil companies reap the benefits is an unconstitutional arrangement against the spirit of Section 44 (3) and S.16 (1) (c). The models of the Saudi Arabian and Brazilian oil companies need to be adopted for increased revenue and foreign exchange earnings from oil and gas in Nigeria. Development oil is articulated as follows:

“Development Oil” is an approach to oil and gas governance that views these resources not merely as commodities for export and revenue generation but also as strategic assets for driving comprehensive national development. It stands in stark contrast to the traditional “Contract Oil” approach that Nigeria has implemented over

The limited initial public offer of the shares of NNPC is long overdue - with its benefits of accountable governance of its operations. S.44 (3) of the 1999 Constitution: “Notwithstanding the foregoing provisions of this section, the entire property in and control of all minerals, mineral oils and natural gas in, under or upon any land in Nigeria or in, under or upon the territorial waters and the Exclusive Economic Zone of Nigeria shall vest in the Government of the Federation and shall be managed in such manner as may be prescribed by the National Assembly”. S.16 (1) (c) “without prejudice to its right to operate or participate in areas of the economy, other than the major sectors of the economy, manage and operate the major sectors of the economy” Rethinking Nigeria's oil and gas governance for national development by Olisa Agbakoba and Collins Okeke; <https://www.thecable.ng/rethinking-nigerias-oil-and-gas-governance-for-national-development/>

the years. Contract Oil, primarily implemented through Joint Ventures (JVs) and Production Sharing Contracts (PSCs), treats oil and gas primarily as commodities to be extracted, sold, and the profits shared between the government and International Oil Companies (IOCs). This model has resulted in a passive government role, IOC dominance, limited NNPC involvement, significant capital flight, and limited local content development. In contrast, Development Oil views oil and gas as strategic assets for driving comprehensive national development. It emphasises active state participation, value addition within the country, local content development, revenue retention and reinvestment, and long-term sustainability. This approach adheres more closely to the constitutional mandate in Sections 16 and 44 (3) of the Nigerian Constitution regarding the use of natural resources for the welfare and security of Nigerian citizens and seeks to address the “resource curse” that has plagued Nigeria.

Recent declines in agricultural productivity and growth in a sector where small-scale women farmers predominate can be traced to severe insecurity and the adverse impact of climate change. The Federal Government of Nigeria (FGN) needs to tackle insecurity and popularise low-cost ideas for engaging and mitigating climate change. Furthermore, the government is the biggest buyer in the economy. Public procurement can be deployed as an instrument to facilitate growth through deliberate “buy made-in-Nigeria policy”. A situation where the bulk of capital expenditure releases at federal and state levels are converted to foreign currencies to facilitate imports of goods and services which can be locally produced cannot be a recipe for economic growth. Public procurement can be programmed for inclusivity and give domestic preference to goods and services produced by women, persons with disabilities, and vulnerable populations.

3.3 Exchange Rate

The extant exchange rate is in excess of N1500 to 1 USD. The determinants of the value of a currency include fiscal, monetary, and trade policy, especially inflation, interest rates, unemployment rates, national debt, balance of trade, political stability, and economic performance. Table 4 shows the budget-approved exchange rates from 2015 to 2023. For 2024, the average of actual rates approved by CBN was used.

Table 4: Approved Exchange Rate from 2015 to 2024 Budgets

Year	Exchange (USD to Naira) Rate	Year	Exchange (USD to Naira) Rate
2015	190	2020	360
2016	197	2021	379

The United Nations Global Marketplace (UNGM) defines Gender Responsive Procurement as “the sustainable selection of services, goods or works that takes into account the impact on gender equality and women's empowerment, and actively seeks to reduce barriers to entry for women's businesses to benefit from business opportunities” “GRPP is procurement that promotes gender equality through the purchase of works, supplies or services by public sector bodies. This means that buyers and suppliers look at the impact of all of the contracted activities related to women's and men's interests and concerns and design and deliver contracts in a way that reduces gender inequalities. GRPP may target inequalities in the workforce through the delivery of a contract (whether local or remote), in the way a contract is performed and/or via the impact it has on users or recipients of the goods, services or works purchased. It does not necessarily imply higher costs, but it does require knowledge and capacity”. https://eige.europa.eu/gender-mainstreaming/toolkits/grpp/what-gender-responsive-public-procurement?language_content_entity=en. European Institute for Gender Equality.

2017	305	2022	410.15
2018	305	2023	435.57
2019	305	2024	1,376.69

Source: Approved Budget, Budget Office of the Federation of Nigeria

With the exception of the year 2024, the rates stated in Table 4 are different from the actual rates available to the majority of the public and private actors in the economy. With the floating of the naira in the second half of 2023, the rates became deregulated and keep fluctuating and changing with the ubiquitous market forces as shown in Table 5.

Table 5: Average Monthly Exchange Rate 1st January to 26th July 2024

Year 2024	Exchange (USD to Naira) Rate	Lowest Rate (USD to N)	Highest Rate (USD to N)	No. of Fluctuations
January	951.94	951.94	951.94	0
February	1,461.64	951.94	1,662.35	13
March	1,526.55	1,303.84	1,630.15	12
April	1,259.59	1,147.02	1,373.64	7
May	1,422.51	1,196.61	1,502.13	19
June	1,479.75	1,447.96	1,513.25	10
July	1,534.86	1,470.19	1,599.39	13

Source: FGN Single Window for Trade (<https://trade.gov.ng/en/exchange/customs-exchange-rate>). NB: These figures are averages from the monthly fluctuations from the Customs' Exchange Rate. The current average exchange rate for 2024 as at July 26th is N1,376.69.

The justification for the flotation of a currency is to attract foreign investors, respond to foreign exchange shortages, and remove the corruption inherent in the arbitrage between the official and actual market value, etc. Massive devaluation of the currency through flotation violates the CBN's core objectives of ensuring monetary and price stability, safeguarding the international value of the legal tender currency, and promoting a sound financial system in Nigeria. Pensions, savings and the purchasing power of the naira have been diminished. The devalued currency has contributed in no small measure to increasing poverty and gender inequality. In a period of stagnated incomes, imports have become very expensive thereby exacerbating inflation with little or nothing to export beyond crude oil. The country has even lost the capacity to meet the OPEC crude oil export quota.

Stabilising the naira will require increased production and export of goods and services to earn foreign exchange, as well as a reduction in imported goods and services. The first port of call is to fix all public refineries in order to reduce the volume of foreign exchange needed to import

refined petroleum. Nigeria spent \$37.9bn importing refined petroleum between 2015 and 2019. The second step is to ensure that oil companies adhere to Section 109 of the Petroleum Industry Act – the obligation to prioritise the supply of crude oil to domestic public and private domestic refineries to ensure that they have enough feedstock to continue operations. There is a possibility of exporting refined petroleum to earn foreign exchange if the public and private refineries operate at 80% of their installed capacity.

Furthermore, diversification of the economy through investments in other sectors that consume high levels of foreign exchange via importation, including the agricultural value chain for food security and exports, motor vehicle production and assembly, industrial machinery, and electrical equipment, etc., is imperative. In 2023, Nigeria imported agricultural goods worth N2.281 trillion and exported produce worth N1.244 trillion, thereby incurring a sectoral trade deficit of N1.037 trillion. Structured, targeted, and inclusive investments in the palm oil, cocoa, rubber, groundnuts, and other value chains can improve national productivity and reduce poverty and inequality.

Considering Nigeria's relatively low capacity for the production of goods and services and the experience of the floating of the currency, there is a need for course correction through a managed float arrangement in which the rate is neither fixed nor allowed to float endlessly. The rate should be managed by the CBN for strategic national economic objectives and priorities such as boosting exports, reducing inflation, and preventing excessive depreciation. This is because Nigerians did not elect demand and supply as economic managers.

3.4 Removal of Subsidies: Fuel and Electricity

The removal of fuel subsidies is a reduction in the public funds allocated for subsidies, and it is usually justified by a promise that the savings will be invested in critical social sectors, such as education and health, as well as in infrastructure. A brief review of the education and health budgets for the years 2023 and 2024, when the subsidy removal was accentuated, is instructive.

Table 6: Federal Budget and Allocations for Education and Health

Year	Full Budget (NGN)	Education Budget (NGN)	Education As % of Full Budget	Health Budget (NGN)	Health As % of Health Budget
2023	21,829,701,070,700	1,076,219,559,121	4.93	1,075,795,183,695	4.92
2024	28,777,404,073,861	1,589,389,774,583	5.52	1,336,263,783,101	4.64

NB: The figures for Education is inclusive of Retained Revenue and Multi-lateral Aid & Grant

Education as Standalone with USD Equivalent			
Year	Full Budget (NGN)	Education Budget (NGN)	Education Budget in (USD)
2023	21,829,701,070,700	1,076,219,559,121	2,470,830,312.28

Trade data from the National Bureau of Statistics cited with approval by Dataphyte: "How Nigeria's High Petrol Importation, Dead Refineries Affect its Struggling Economy", March 2022. <https://www.dataphyte.com/latest-reports/development/how-nigerias-high-petrol-importation-and-dead-refineries-affect-its-struggling-economy/>

Dangote Refinery's installed capacity is 650,000 barrels of crude a day; the four public refineries have a capacity to process 445,000 barrels of crude oil a day, etc.

See NBS Foreign Trade Reports, Foreign Trade in Goods Statistics, 2020, 2021, 2022, 2023; Central Bank of Nigeria (CBN): reports on economic activities, including trade and industrial data.

This is about an intentional investment discipline that democratizes access to capital and advances how investors source, invest, and scale high-growth businesses.

2024	28,777,404,073,861	1,589,389,774,583	1,154,500,849.56
Health as Standalone with USD Equivalent			
Year	Full Budget	Health Budget	Health Budget
	(NGN)	(NGN)	(USD)
2023	21,829,701,070,700	1,075,795,183,695	2,469,856,013.26
2024	28,777,404,073,861	1,336,263,783,101	970,635,206.98

Source: Budget Office of the Federation of Nigeria website

Evidence emanating from Table 6 shows that even though more naira was available from the withdrawal of subsidy and depreciated exchange rate, using the average exchange rate of N1,376.69 for 2024, it is clear that the FGN failed to provide the equivalent of 2023 votes for education and health in 2024. The 2024 education vote was 46.7% of the 2023 allocation, while the health vote for 2024 was 39.29% of the 2023 vote. However, the contradiction in the subsidy regime was not the quantum of subsidy paid by the government, but the corruption embedded in the system, which diverted more resources than the actual subsidy. The Federal Government of Nigeria (FGN) came to the conclusion that it could not separate the subsidy from the corruption. As such, the subsidy had to go.

The removal of subsidy from premium motor spirit (PMS) escalated its cost from N160 per litre to an average of N680 per litre, while diesel costs no less than N1200 per litre. The subsidy on kerosene had long been removed, as the price of petrol cost about N1,400. This has increased the costs of transportation, production, and distribution of goods and services, including energy costs for cooking at home. However, while the PMS subsidy is officially gone, it is not entirely eliminated because the landing cost of a litre of imported PMS in Nigerian ports is currently in excess of N1200. The implication is that there is still a PMS subsidy of not less than N500 per litre. The gradual removal of electricity subsidies and even tariffs beyond the market price paid by Nigerians under electricity tariff “Band A” has also contributed to rising production and service delivery costs.

3.5 Conditions Precedent and Sequencing of Reforms

The two “reforms” that have unleashed critical challenges and accentuated poverty relate to the floating of the naira, which has resulted in the massive devaluation of the currency, and the removal of subsidies on PMS, diesel and kerosene in an economy dependent on these fuels, especially PMS. The posers arising from the two measures include: were the conditions precedent met for the two reforms? Should they have been sequenced so that Nigerians could experience and absorb the shock of one measure before the second is introduced? Conditions precedent and sequencing should have taken into consideration the “backward never” principle of ES Rights. For the removal of subsidy, the conditions precedent as demanded by stakeholders include the rehabilitation of local refineries and their operation at full capacity, providing alternative sources of fueling cooking, such as liquefied petroleum gas (LPG) and clean cooking stoves, local transport reforms through other fuels, like CNG, provision of public mass transit, including high-capacity buses, trams, and railways, arrangements for

transport and other vouchers for the poorest of the poor, clear and transparent mechanisms for reinvesting fuel subsidy savings in the social and infrastructure sectors, diligent investigations and prosecution of oil thieves, etc. However, the FGN has not taken any steps towards implementing these conditions more than one year after the subsidy was declared gone. These measures would have mitigated the pain of the “reforms” through alternative frameworks.

The conditions precedent to floating the naira would include the expansion of the productive base so that, as imports become more expensive, Nigeria would have cheap goods and services to export to earn foreign exchange in order to stabilise the value of the naira. In addition, arrangements should be made to retain existing industries and improve the ease of doing business, as opposed to the current business and factory closures.

In terms of sequencing, introducing the two measures at the same time is akin to the proverbial double jeopardy. It exacerbated the pains inherent in these measures. They should have been well-sequenced and well-communicated to provide opportunities for learning and course correction.

3.6 Inflation

The following Tables – 7, 8 and 9 show the inflation trend from 2020 to 2024; the trend under the present BAT regime and the ten-year trend from 2015 to 2024.

Table 7: Nigeria's Monthly Inflation Rate 2020 - 2024

Month	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
January	12.13	16.47	15.60	21.82	29.90
February	12.20	17.33	15.70	21.91	31.70
March	12.26	18.17	15.92	22.04	33.20
April	12.34	18.12	16.82	22.22	33.69
May	12.40	17.93	17.71	22.41	33.95
June	12.56	17.75	18.60	22.79	34.2
July	12.82	17.38	19.64	24.08	
August	13.22	17.01	20.52	25.80	
September	13.71	16.63	20.77	26.72	
October	14.23	15.99	21.09	27.33	
November	14.89	15.40	22.47	28.20	
December	15.75	15.63	21.34	28.92	

Source: NBS Monthly CPI and Inflation Reports (2020 – 2024) and <https://www.cbn.gov.ng/rates/inflrates.asp?year=2023&month=2>

Table 8: Monthly Inflation Rate Under BAT Administration

Month/Year	Inflation Rate (%)	Month/Year	Inflation Rate (%)
May 2023	22.41	January 2024	29.90
June 2023	22.79	February 2024	31.70
July 2023	24.08	March 2024	33.20
August 2023	25.80	April 2024	33.69
September 2023	26.72	May 2024	33.95
October 2023	27.33	June 2024	32.4
November 2023	28.20		
December 2023	28.92		

Source: NBS Monthly CPI and Inflation Reports

Table 9 shows the ten-year inflation trajectory.

Table 9: Nigeria's Inflation 2015-2024

Year	Annual Inflation (%) Average	Year	Annual Inflation (%) Average
2015	9	2020	13.2
2016	15.7	2021	17
2017	16.5	2022	18.8
2018	12.1	2023	24.7
2019	11.4	2024****	32.5

Source: <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=NG>

2024*** represents the 5month average from January to May 2024.

High-level inflation erodes savings, discourages investment, stimulates capital flight, makes economic planning impossible, and inhibits growth. The Tables show that inflation has been galloping gradually and consistently since the year 2020 until the last year when it escalated. The three key drivers of the escalation were the withdrawal of fuel subsidy, which increased the cost of transportation for goods and services; the increase in electricity tariffs, which hiked production costs for goods and services; and the floating of the naira in an import-dependent economy, which massively depreciated the currency and imported inflation during the process of devaluation. Furthermore, the continued increase in the monetary policy rate has raised the interest rate and reduced access to credit for producers and service providers, thereby increasing the cost of goods and services produced and distributed with borrowed money. The escalating food inflation is also linked to insecurity, a situation in which farmers have been prevented from plying their trade by criminal elements.

In June 2024, headline inflation stood at 34.2%, core inflation stood at 27.4%, with food inflation at 40.87%.

CBN; Inflation Targeting as a Monetary Policy Framework, 2021 - Understanding Monetary Policy Series 12. Consumer Price Index and Inflation Report, June 2024, National Bureau of Statistics.

Food inflation, at an all-time high, disproportionately impacts the managers of family food and diet, who are predominantly female. The purchasing power of the average citizen has diminished while poverty has increased. Remedies to the galloping inflation are linked to managing or reversing the increases arising from the withdrawal of fuel subsidies and the floating of the naira. The recent stopgap measure by the FGN to reduce the food supply deficit through a 180-day duty-free import window for food commodities (maize, husked brown rice, wheat, and cowpeas), among others, is not a sustainable measure. No country can import its way out of a food crisis.

Investments in public transport powered by cheaper forms of energy, such as compressed natural gas (CNG), and the inter- and intra-city railways will facilitate the reduction of transport costs. To add value to the economy, create employment and expand tax revenue, CNG-powered vehicles should be manufactured or assembled locally. Local refining of petroleum products will help reduce the price of petroleum products.

3.7 Monetary Policy Interventions

The CBN has a plethora of tools for the management of monetary policy. These include the Monetary Policy Rate (MPR) and the Cash Reserve Ratio (CRR). The MPR is the tool used by the CBN to determine and manage interest rates. It was 26.75% as at July 2024. Table 10 shows the trajectory of the MPR since the year 2020.

Table 10: Nigeria’s Monetary Policy Rate 2020 to 2024

Month	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
January	13.50	11.50	11.5	17.5	18.75
February	13.50	11.50	11.5	17.5	22.75
March	13.50	11.50	11.5	18.0	24.75
April	13.50	11.50	11.5	18.0	24.75
May	12.50	11.50	13.0	18.50	26.25
June	12.50	11.50	13.0	18.50	-
July	12.50	11.50	14.0	18.75	-
August	12.50	11.50	14.0	18.75	-
September	11.50	11.50	15.5	18.75	-
October	11.50	11.50	15.5	18.75	-
November	11.50	11.50	16.5	18.75	-
December	11.50	11.50	16.5	18.75	-

Source: <https://www.cbn.gov.ng/rates/mnymktind.asp?year=2023&month=2>

The CBN in; Inflation Targeting as a Monetary Policy Framework, 2021 - Understanding Monetary Policy Series 12, describes it...an interest rate instrument used by central banks to influence short term interest rates in the money market. The policy rate is used in the determination and management of an interest rate corridor bound on either side by the central banks standing lending and deposit facilities, respectively.

The CRR is a ratio of bank's deposit to be sequestered at the CBN in a non-interest-yielding account. It increases in a tight monetary policy regime and, as such, limits the ability of banks to grant credit. Table 11 shows the trajectory of the CRR since 2015:

Table 11: Trajectory of Cash Reserve Ratio (CRR) 2015-20224

Year	Monetary Policy Committee (MPC) Decisions for the periods of	CRR for Private Sector Deposits (%)	CRR for Public Sector Deposits (%)
2015	January	20	75
	March	20	75
	May	31	
	July	31	
	September	25	
	November	20	
2016	January	20	
	March	22.5	
	May	22.5	
	July	22.5	
	September	22.5	
	November	22.5	
2017	January	22.5	
	March	22.5	
	May	22.5	
	July	22.5	
	September	22.5	
	November	22.5	
2018	January	22.5	
	March	22.5	
	May	22.5	
	July	22.5	
	September	22.5	
	November	22.5	
2019	January	22.5	
	March	22.5	
	May	22.5	
	July	22.5	
	September	22.5	
	November	22.5	

CBN; Inflation Targeting as a Monetary Policy Framework, 2021- Understanding Monetary Policy Series 12.

2020	January	27.5
	March	27.5
	May	27.5
	July	27.5
	September	27.5
	November	27.5
2021	January	27.5
	March	27.5
	May	27.5
	July	27.5
	September	27.5
	November	27.5
2022	January	27.5
	March	27.5
	May	27.5
	July	27.5
	September	32.5
	November	32.5
2023	January	32.5
	March	32.5
	May	32.5
	July	32.5
	September	-
	November	-
2024	Feb	45.0
	March	45.0
	May	45.0

NB: The rate for both private and public sector deposits were unified in May 2015

Source: CBN website - <https://www.cbn.gov.ng/monetarypolicy/decisions.asp>

In response to the galloping inflation shown in Tables 7, 8 and 9 above, monetary policy has responded with a tightening stance, increasing the MPR from 18.50% to 26.75% in the span of about a year. The CRR has been dramatically increased from 32.5% to 45%. The implication of the increased MPR and CRR is an increase in the cost of funds to the public and private sectors. Current interest rates are no less than 30% per annum. This hinders economic growth and productivity and will accentuate unemployment in consideration of recent factory closures. The logical framework of tightening implies lower personal income and corporate taxes due to diminished economic activity. For the public sector, interest rates on government securities are bound to increase, which raises debt service obligations.

However, the tightening stance has no impact on the majority of Nigerians saving their money in savings accounts, who still receive single-digit rates for their deposits. Simple

inflation targeting in a period of stagflation has negative consequences for economic growth and employment. The three challenges occasioned by stagflation must be placed on the templates of monetary policy, fiscal policy, trade policy, etc., and a balance found. It is expected that the CBN will reduce both the MPR and CRR at the next Monetary Policy Committee meeting. Otherwise, Nigeria may be headed towards a full-blown recession.

3.8 Unemployment

The MPI states that:

Unemployment in Nigeria has been on the rise since 2018; increasing from 21.8% in Q3 2018 and to 33.3% at the end of 2020, according to the National Bureau of Statistics (NBS). Underemployment has also increased from 16.3% in Q3 2018 to 22.8% in Q4 2020.... Young people have been particularly affected throughout this period. The unemployment rate for people aged 15 to 24 was estimated at 53.4% in 2020.

The rate of informal employment among the employed Nigerians was 93.5% in Q4 2022 and 92.6% in Q1 2023. For those employed at work in Q3 2022, female participation was 67.31%, while male participation was 77.35%. In Q1 2023, females accounted for 73.37%, while male accounted for 77.85%. Most workers (around 88.0%) were in self-employment in Q2 2023. The informal employment rate in Q2 2023 was 92.7%, and the percentage of youth Not in Employment, Education, or Training (NEET Rate) was 13.8%. Like the previous two quarters, the rate of women in informal employment is higher than that of men. Although the informality rate is high across all age groups, younger persons (15-24) and persons above 65 years were more informally employed.

The National Bureau of Statistics (NBS) has changed the methodology for reporting unemployment in Nigeria. The figures no longer reflect the reality of the dire unemployment crisis. In the new reports since Q4 2022, unemployment has been reported in single-digit figures. Unemployment figures have been high, considering that 87.3% of workers were self-employed in Q3 2023, which is a euphemism for glorified unemployment. The informal employment rate in Q3 2023 was 92.3%, and the percentage of youth not in employment, education, or training (NEET Rate) was 13.7% in Q3 2023. Essentially, the age bracket most affected by unemployment is the youth. Nigeria has about 40million MSMEs, and 89.4% of them are in the informal sector of the economy. A recent study indicates that unemployment is the most common reason for starting an informal business.

However, there are still public sector vacancies at the federal and state levels, especially in the Ministries of Education and Health, the Police, etc. The doctor-patient ratio, the nurse-patient

MPI at page 6.

Nigeria Labour Force Statistics Report, Q4 2022 and Q1 2023; Nigeria Labour Force Statistics Report, Q2 2023. National Bureau of Statistics. Unemployment (before Q 4 2022) referred to the proportion of those in the labour force who were actively looking for work but could not find work for at least 20 hours a week; underemployment captures those who work less than full-time hours (40 hours) but at least 20 hours a week on average and/or those who work full time but are engaged in an activity that underutilises their skills, time and educational qualifications. The new definition is about all those of working age population who during the reference period were engaged in any activity to produce goods or provide services for pay or profit, even if the worker did one hour a week.
file:///C:/Users/PC/Downloads/Q3_2023_NLFS_Report_Final.pdf. Nigeria Labour Force Statistics Report, Q3, 2023.
Informal Economy Report 2024 by Moniepoint.

ratio, and the teacher-student ratios are far from international standards. The doctor-patient ratio stands at 1:9083, which is far from the recommended 1:600 ratio. The nurse-patient ratio stands at 1:1,160 nurses, as compared to the global standard of 1:5. One police officer in Nigeria serves about 600 persons, contrary to the UN standard of one officer for 450 persons. Improving the ease of doing business and right mix of policies, including a Nigerian-centric public procurement policy, can expand inclusive job creation in agriculture, industries, entertainment, sports, information and communications technology, etc.

3.9 Tax and Revenue to GDP

The International Monetary Fund (IMF) states that Nigeria recorded a tax revenue to gross domestic product (GDP) ratio of 9.4 percent in 2023, one of the lowest in Sub Saharan Africa and in the world. This is a decline from the National Bureau of Statistics' 10.86% report in 2021. The implication is that there are still a lot of leakages in the system which should be blocked; the tax system should be made progressive, and the tax net should be broadened. Value-added tax (VAT) has been increased from 5% to 7.5%. Proposals for further increments to the regressive VAT should be reviewed.

3.10 Public Debt

The total public debt level rose from N12.062trn as at March 31, 2015 to N121.670trn as at March 31 2024. It is imperative to note that the March 2024 figures exclude the N30trn ways and means advance extended to the FGN by the CBN, which were procured in violation of the due process requirements of Section 38 of the CBN Act 2007. The advances exceeded 5% of the previous years' actual revenue and were not paid back within the stipulated time. Rising public debt have led to rising debt service obligations, diverting resources from critical social services and infrastructure. Table 12 shows the progression of debts from 2015 to the June 2024.

Table 12: Nigeria's Debt Profile 2015 to 2023

Year	Internal debt (USD'M)	External Debt (USD'M)	Total Debt Stock (USD'M)	Internal debt (N'M)	External Debt (N'M)	Total Debt Stock (N'M)
2015	54,701.10	10,718.43	65,428.53	10,492,167.57	2,111,530.71	12,603,705.28
2016	45,985.25	11,406.28	57,391.53	13,881,094.18	3,478,915.40	17,360,009.58
2017	10,943.71	18,913.44	70,999.26	3,348,774.26	5,787,512.64	21,725,773.03
2018	54,162.35	25,274.36	79,436.72	16,627,841.75	7,759,229.99	24,387,071.74
2019	56,377.18	27,676.14	84,053.32	18,378,959.65	9,022,421.64	27,401,381.29

See the LANCET: A call for reform in Nigerian medical doctors' work hours by Nicholas Aderinto; Emmanuel Kokori and Gbolahan Olatunji. Published: February 24, 2024 DOI: [https://doi.org/10.016/S0140-6736\(23\)02558-8](https://doi.org/10.016/S0140-6736(23)02558-8)
<https://data.worldbank.org/indicator/SH.MED.NUMW.P3?locations=NG>

Acting Inspector General of Police Egbetokun in Cable Newspapers: 190,000 additional police personnel needed to secure Nigeria. <https://www.thecable.ng/egbetokun-190000-additional-police-personnel-needed-to-secure-nigeria/>
 IMF Article 4 Consultation Report on Nigeria, May 2024.

The 2015 figure is \$63.506bn at the exchange rate of N197 to 1USD while the 2024 figure is \$91.463bn at the exchange rate of US\$1 to N1,330.26. See <https://www.dmo.gov.ng/debt-profile/total-public-debt/62-total-public-debt-stock-as-at-31-st-march-2015>; <https://www.dmo.gov.ng/debt-profile/total-public-debt/4731-nigeria-s-total-public-debt-stock-as-at-march-31-2024/file>.

38. ----(1) Notwithstanding the provisions of section 34 (d) of this Act, the Bank may grant temporary advances to the Federal Government in respect of temporary deficiency of budget revenue at such rate of interest as the Bank may determine. (2) The total amount of such advances outstanding shall not at any time exceed five per cent of the previous year's actual revenue of the Federal Government. (3) All Advances made pursuant to this section shall be repaid – (a) as soon as possible and shall in any event be repayable by the end of the Federal Government financial year in which they are granted and if such advances remain unpaid at the end of the year, the power of the Bank to grant such further advances in any subsequent years shall not be exercisable, unless the outstanding advances have been repaid;

2020	53,044.46	33,348.08	86,392.54	20,209,896.37	12,705,618.48	32,915,514.85
2021	57,388.32	38,391.32	95,779.64	23,700,801.25	15,855,231.25	39,556,032.50
2022	61,415.93	41,694.91	103,110.84	27,548,116.06	18,702,251.88	46,250,367.94
2023	65,734.18	42,495.16	108,229.34	59,120,858.81	38,219,849.44	97,340,708.25
2024****	49,348.45	42,115.54	91,463.99	65,646,263.25	56,024,618.24	121,670,881.49

Source: Debt Management Office. 2024 **** implies the value as at March 2024

Table 12 shows a dramatic increase in the naira value of public debts, from N12.603trn to N121.670trn over a period of ten years, while the USD equivalent experienced a mere increase from \$65.428bn to \$91.463bn. This illustrates the drastic devaluation of the naira during the period under review. This is further illustrated in Table 13, showing the year-on-year percentage increases in USD and naira.

Table 13: Nigeria's Debt Profile 2015 to 2024

Year	Total Debt Stock (USD'M)	Year-on-Year Percentage Increase	Total Debt Stock (N'M)	Year-on-Year Percentage Increase
2015	65,428.53		12,603,705.28	
2016	57,391.53	(12.28)	17,360,009.58	37.74
2017	70,999.26	23.71	21,725,773.03	25.15
2018	79,436.72	11.88	24,387,071.74	12.25
2019	84,053.32	5.81	27,401,381.29	12.36
2020	86,392.54	2.78	32,915,514.85	20.12
2021	95,779.64	10.87	39,556,032.50	20.17
2022	103,110.84	7.65	46,250,367.94	16.92
2023	108,229.34	4.96	97,340,708.25	110.46
2024	91,463.99	(15.49)	121,670,881.49	24.99

Source: Debt Management Office Website

The 110% increase between 2023 and 2024 shows the recent drastic devaluation of the naira.

Debt service as a percentage of actual revenue rose from 39.42% in 2015 to 84.44% in 2020, 90.51% in 2021 and 85.55% in 2022. Table 14 illustrates the picture of debt service.

Table 14: Debt Service as a Percentage of Actual Revenue

Year	Actual Revenue (N'B)	Debt Service (B'N)	Percentage share of Debt service to Revenue (%)
2015	3,240.34	1,277.49	39.42
2016	2,947.49	1,384.90	46.99
2017	2,657.67	1,823.89	68.62
2018	3,866.49	2,161.37	57.90
2019	4,120.09	2,453.74	59.56
2020	3,957.95	3,342.26	84.44
2021	4,643.51	4,221.66	90.91
2022	6,611.72	5,656.58	85.55
2023	Not Available	Not Available	Not Available
2024	N/ A	N/A	N/A

Source: Budget Office of the Federation.

NB: Debt Service includes Sinking Funds and Interest on Ways and Means

3.11 Budget Deficits

Deficit financing of the budget has become a norm at the federal level. Table 15 below shows that deficit financing constituted 52.58% and 31.90% of the 2023 and 2024 Appropriation Acts, respectively.

Table 15: Summary of Nigeria's Budget Projections from 2020 to 2024

Year	Budget Size	Projected Revenue	Deficit Finance	Deficit as a % of Budget Size
2020	N10,594,362,364,830	N8,419,164,479,598	N2,175,197,885,232	20.53
2021	N13,588,027,886,175	N7,986,412,575,941	N5,601,615,310,234	41.22
2022	N17,126,873,917,692	N10,740,803,831,543	6,386,070,086,149	37.29
2023	N20,507,942,180,703	9,725,863,745,173	N10,782,078,435,531	52.58
2024	N28,777,404,073,861	N19,598,473,687,947	N9,178,930,385,914	31.90

Source: Budget Office of the Federation of Nigeria

However, plugging oil revenue leakages projected at 300,000 barrels a day at an average price of \$80pb would have reduced these deficits to a minimum. The Nigeria Extractive Industries Transparency Initiative disclosed in a December 2022 statement that about 619.7 million barrels of crude oil, valued at \$46.16 billion or N74.13 trillion, have been stolen in the last 12 years. This averages N5.77trillion annually. This sum, when accounted for in the books of NNPC Limited, will increase its profit and the dividends to be paid to the Federation Account.

The Naira value is derived from multiplying the dollar with the current exchange rate as announced by the Central Bank of Nigeria at the Nigerian Customs Service website (5/08/2024).

Part Four

PUBLIC INTERVENTIONS AND COPING MECHANISMS

4.1 Introduction

Part 4 reviews the official interventions aimed at reducing the impact of austerity measures on rampant poverty and emerging challenges. The interventions include both new and ongoing initiatives, as well as others stated in policies and laws that have not yet been implemented. Some of these interventions have been ongoing for a couple of years and were not a direct response to austerity measures. However, they have been included due to their relevance in mitigating poverty. The evaluation of these interventions is based on their stated mandate, goals, vision, and mission. However, the difference between the current response to fuel subsidy removal and previous ones is that earlier interventions were wholesale and targeted, while the current intervention appears piecemeal. This section also reviews the coping mechanisms of citizens identified in the literature. The first review focuses on official interventions.

4.2 The interventions are as follows:

4.2.1 National Cash Transfer Programme

Nigeria initiated a National Cash Transfer Programme, which involved the compilation of a National Social Register of poor and vulnerable households and the transfer of palliative sums of money to them at designated intervals. This is managed by a National Cash Transfer Office under the Federal Ministry of Humanitarian Affairs, Disaster Management, and Social Development. Critical challenges attending this programme include the lack of transparency and accountability in the compilation of the social register; clear cases of corruption and mismanagement of resources; the fact that the social register is not comprehensive, as it does not include all the poor who meet the criteria to be in the register; the bulk of the funding for the programme comes from borrowed resources, especially from the World Bank, which indicates a lack of sustainability; and the funds disbursed are too meager—too little, too—late, to make an appreciable impact on the lives of the poorest of the poor, etc.

4.2.2 Compressed Natural Gas Initiative (CNGI)

The CNGI is a palliative intervention that seeks to convert existing petrol engines to run on CNG, which is cheaper than PMS. It also aims to popularise the acquisition of new CNG-powered vehicles in Nigeria. There is a vote of N100bn to purchase 3,000 units of 20-seater CNG-powered buses for more affordable transportation. This is a direct response to the increased cost of fueling vehicles from PMS. It is also an initiative to reduce the cost of living. The challenges include the fact that it is still a proposal more than one year after the removal of fuel subsidy, and the unavailability of CNG across the length and breadth of Nigeria, where vehicles operate. How many petrol and diesel dispensing stations have facilities to dispense CNG? A situation in which CNG-powered vehicles run out of fuel and become stranded on the way may likely occur.

For instance, President Goodluck Jonathan's administration introduced the SURE-P which had different projects in maternal and child health, transportation, conditional cash transfer, etc.

The supervising minister - Betty Edu, has been suspended for involvement in a multi-billion-naira fraud.

It is currently projected to target 15 million households.

N25,000 a month for a period of 3 months.

The Nigerian Midstream Downstream Petroleum Regulatory Authority (NMDPRA) states that it is considering the compulsory installation of CNG pumps at fuel stations. In essence, it is considering denying licenses to marketers who do not install CNG pumps at these fuel stations.

The third issue is about using public procurement to facilitate local production of goods and services. This initiative appears to favour imports; the Executive Council of the Federation approved a memo for the procurement of 200 CNG-powered Toyota Land Cruiser Buffalo V6 for the Nigeria Customs Service at a cost of N12.5billion. However, there are Nigerian Vehicle makers, especially Innoson and Nord Motors, who have been producing SUVs and have even produced CNG-powered vehicles of all descriptions.

4.2.3 Stop Gap Measures on Food Importation

The FGN plans to bridge the food supply deficit through a 180-day duty-free import window for food commodities (maize, husked brown rice, wheat and cowpeas), among others, to moderate domestic food prices. It seeks to suspend duties, tariffs, and taxes on the import of these commodities through the country's land and sea borders. The central challenge is that no country can import its way out of food insecurity; food imports will reduce available foreign exchange and exert pressure on the value of the naira. It will export jobs and increase the number of unemployed individuals in Nigeria. Duty-free imports mean a loss of public revenue, which impacts the revenue available for budget implementation. The major challenges associated with local food production are insecurity and climate change. These two issues are not addressed by this stopgap measure.

4.2.4 Distribution of Grains

The FGN had, at various times, distributed quantities of grains, including rice, beans, millet through state governors and members of the National Assembly. The major challenges include that the quantities are too small compared to those in need of food; the distribution channel lacks transparency and accountability, as there is no verifiable report of who benefitted from the grains, coupled with allegations of corruption. The absence of an acceptable, inclusive, and transparent social register resonates with the poor performance of grain distribution. The popular impression, which has not been rebutted by empirical evidence, is that the grain distribution is for political patronage.

4.2.5 Presidential Conditional Grants Scheme

The Bank of Industry states that:

The Presidential Conditional Grant Scheme (PCGS) seeks to empower nano businesses as part of the Presidential Palliative Programme with offers of financial grants without repayment obligations to eligible small business owners operating in various sectors, such as trading, food services, ICT, transportation, creatives, and artisans. The PCGS targets 70% women and youth, 10% people with disabilities, and 5% senior citizens, with the remaining 15% distributed to other demographics. By focusing on the often-overlooked group of business owners, the programme seeks to unlock the potential of Nigeria's burgeoning entrepreneurial ecosystem and drive sustainable economic development at the grassroots level. The N50,000.00 (Fifty

The picture of the vehicle on the home page is a Suzuki, not a Nigerian brand; listed partners include TATA, Bajaj, Ashok Leyland, etc. 420,000 metric tonnes of grains were released from the strategic reserves.

Distribution of rice, grains: Misplaced priorities, missed opportunities; <https://dailytrust.com/distribution-of-rice-grains-misplaced-priorities-missed-opportunities/>

<https://www.boi.ng/federal-government-presidential-conditional-grant-scheme-pcgs-rolls-out-to-empower-nano-businesses-across-nigeria/>

Thousand Naira) grant per beneficiary paid directly to beneficiaries' accounts will reach one million small businesses in the 774 local government areas (LGAs) and the six council areas in the Federal Capital Territory (FCT). With a target of 1,000,000 beneficiaries in every LGA and the FCT, the programme has the potential to impact communities nationwide significantly.

The media report that 402,283 beneficiaries have received N20bn as at the end of May 2024. The challenges associated with this are the same as the conditional cash transfer scheme, especially in areas of basis of selection of beneficiaries; transparency and accountability issues; comprehensiveness of database for selection of beneficiaries; sustainability in terms of continued funding and a lack of public mechanism for independent verification. However, this appears to be the only intervention with a gender dimension and target.

4.2.6 New Minimum Wage of N70,000 a Month

The FGN recently approved a new minimum wage. The bill has been passed by the National Assembly and awaits presidential assent. The new minimum wage is set at N70,000 a month. The approval came more than one year after fuel prices were hiked and the naira floated, leaving it at the mercy of market forces. The FGN reluctantly entered into negotiations after a national strike was called by organised labour. The political will to do the right thing appeared lacking until the reality of a national shutdown of economic activities emerged. However, the wage amounts to just \$46.6, which is low compared with the minimum wages of peer countries.

4.2.7 Basic Health Care Provision Fund (BHCPF)

The BHCPF is established under Section 11 of the National Health Act to be funded, inter alia, by not less than 1% of the consolidated revenue fund of the FGN. Fifty per cent of the Fund is to be deployed for the provision of a basic minimum package of health services to citizens in eligible primary or secondary healthcare facilities through the National Health Insurance Scheme (NHIS). 20% of the Fund shall be used to provide essential drugs, vaccines, and consumables for eligible primary healthcare facilities. Furthermore, 15% of the Fund is to be deployed for the provision and maintenance of facilities, equipment and transport for eligible primary healthcare facilities; 10% of the Fund for the development of human resources for primary healthcare; and 5% to be used for emergency medical treatment to be administered by a committee appointed by the National Council on Health. In addition, states and local governments are expected to pay counterpart funds to be eligible for a block grant.

Like the issues surrounding the conditional cash transfer scheme, the source of names that entitle a person to benefit from the BHCPF is unclear and shrouded in secrecy. The fact that the register is not comprehensive, as it does not include all the persons who meet the criteria to be in the register, is concerning. State governments, with the exception of a few, have paid their counterpart funds. However, the FGN has not been releasing the full appropriated funds, and there were absorptive capacity challenges during the initial period. In addition, the 1% allocation from the FGN's Consolidated Revenue Fund (CRF) is too little, given the magnitude of health challenges and Nigeria's out-of-pocket health expenditure, which exceeds 70%.

<https://punchng.com/n50000-grant-402283-beneficiaries-get-n20bn/>. Punch Newspaper, May 30, 2024.

The minimum wage in Seychelles, Gabon, Libya and Equatorial Guinea is \$465.4, \$270.5, \$321.83 and \$211.54 respectively. In Morocco, South Africa, Algeria, Cape Verde, it is \$314.7, \$248.12, \$140.14 and \$139.46 respectively. In Kenya, Mozambique and Lesotho, it is \$130.57, \$113.8 and \$109.62 respectively. Source: <https://africa.businessinsider.com/local/markets/10-african-countries-with-the-highest-minimum-wage/lw9glf1>

Other proposed sources of funding include grants by international donor partners; and funds from any other source. Even the website of the BHCPF is no longer available.

4.2.8 Health Equity Funds of States

The health insurance laws of most states of the Federation provide for equity funds to finance access to healthcare for vulnerable and indigent persons in those states. However, virtually all the states fail to appropriate budgetary resources for the activation of these equity funds. These funds would have reduced out-of-pocket health expenditures for the poorest of the poor.

4.2.9 Vulnerable Group Fund (VGF)

Section 25 of the National Health Insurance Authority Act establishes the VGF for the purpose of providing subsidies for the health insurance coverage of vulnerable persons and the payment of health insurance premium for indigents. The funding is to come from the BHCPF, special fund allocation from the FGN, money accruing to the VGF from investments, donations, gifts, grants, etc. However, the VGF is yet to be constituted by the FGN.

4.2.10 Compulsory Health Insurance Regime of the National Health Insurance Authority

The compulsory health insurance regime provided under the National Health Insurance Authority Act is yet to be activated. However, the operational guidelines have been prepared and approved. Activating the compulsory health insurance regime would drastically reduce the out-of-pocket health expenditure of the majority of Nigerians, including the poor. Less than 10% of Nigerians are covered by any form of prepaid insurance. It appears that the political will to activate health insurance is missing.

4.2.11 Presidential Executive Order on Health

President Bola Ahmed Tinubu made an Executive Order on health. The key provisions of the Executive Order include the following measures:

- *Zero Tariffs and Excise Duties: Exempting specified pharmaceutical machinery, equipment, goods, and accessories from tariffs and excise duties to reduce production costs and make healthcare products more affordable.*
- *Special Waivers on Pharmaceutical Inputs: APIs, excipients, and other essential raw materials, including those for Long-lasting Insecticidal Nets (LLINS) and Rapid Diagnostic Kits, will benefit from zero tariffs, excise duties, and VAT, lowering the price of essential medicines and medical supplies.*
- *Market Shaping: Establishing framework contracts and volume guarantees to stabilise the local manufacturing market.*
- *Regulatory Harmonisation and Expedited Approvals Developing a Harmonised Implementation Framework to guide regulatory agencies in streamlining approval processes.*
- *Implementation and Compliance: Agencies, such as the Nigeria Customs Service, NAFDAC, SON, and FIRS are mandated to ensure swift implementation. The waivers and exemptions are valid for two years from the effective date.*

https://www.health.gov.ng/Bpg_info/118/Newsletter--Revitalizing-Nigeria-Healthcare--President-Tinubu-s-Bold-new-Executive-Order

The Executive Order is about reducing the cost of medicines, equipment, and goods to make healthcare more affordable and enhance economic accessibility of health. However, it has been recently enacted, and the impact is yet to be felt, as there ought to be a lag time between orders for imports, their clearing and availability in the market for use and access by citizens. Again, the challenges associated with the stopgap measure in food importation emerge. The central challenge is that no country can import its way out of health insecurity; health imports will reduce available foreign exchange and exert pressure on the value of the naira. It will export jobs and increase the number of unemployed individuals in Nigeria. Duty-free imports mean a loss of public revenue, which impacts the revenue available for budget implementation. Lowered excise duties may encourage more local value-added and production.

4.2.12 Universal Basic Education Scheme

The Compulsory, Free, Universal Basic Education Act 2004 makes basic education compulsory and free. It establishes the Universal Basic Education Commission and the Universal Basic Education, which is to be financed from: (a) a Federal Government block grant of not less than 2% of its Consolidated Revenue Fund; (b) funds or contributions in the form of Federal guaranteed credits; and (c) local and international donor grants. Furthermore, for any state to qualify for the FGN block grant, such state shall contribute not less than 50% of the total cost of projects as its commitment to the execution of the project.

The challenges include a lack of transparency and accountability in the way that benefits states expend resources, as well as the fact that many years after the disbursements, education indicators are getting worse. For instance, the number of out-of-school children is increasing. The funds that have not yet been accessed from 2005-2023, as at the end of April 2024, amount to N54.927bn at a time when states are complaining about a paucity of funds to finance education and other components of the social sector.

4.2.13 School Feeding Programme

The School Feeding Programme seeks to encourage enrolment and retention in school, promoting the realisation of the rights to adequate food and the highest attainable standard of physical and mental health whilst facilitating the empowering right to education. The vision is to implement a sustainable school feeding programme that will establish a safety net for the poor and eradicate malnutrition in school-age children while stimulating the national agricultural economy. The mission is the universal provision of a free, nutritionally balanced hot meal a day to pupils in all public primary schools in Nigeria through local smallholder farm produce procurement. It is described as rights-based, gender-friendly, culturally sensitive, sustainable, flexible, etc. It is not clear whether the school feeding programme is still in operation as a federal project after it was suspended in March 2024. It was earlier discontinued during the Buhari presidency.

The challenges with the programme, when it was in operation, included insufficient reach. It was implemented as a pilot and could not be rolled out across all areas of need. Like other poverty reduction projects, it was shrouded in a lack of transparency, and many citizens were

Nigeria Home Grown School Feeding Strategic Plan: 2016-2020- <https://faolex.fao.org/docs/pdf/nig169078.pdf>

School feeding programme was only functional in Edo, Ebonyi, Lagos and Ekiti states as cited in: The Impact of Nigeria's Removal of Fuel Subsidies and the Floatation of the Naira on Women and Girls, Action Aid Nigeria, July 2024.

not aware of its operation. There was also the challenge of corruption, as the programme alleged that it fed most Nigerian pupils during the COVID-19, at a time when every pupil was at home due to the lockdown.

4.3 Coping Mechanisms

This section of the report turns to the second part of this chapter which is on coping mechanisms

4.3.1 Informal Sector Employment

Nigeria has about 40million MSMEs, and 89.4% of them are in the informal sector of the economy. Many of these businesses are a response to the austerity and tightening measures of the government. A recent study indicates that unemployment is the most common reason for starting an informal business. The study indicates that informal business owners are likely to be between 25-34 years old, which is almost the same as the age range for youth. Feeding and family expenses are the core expenditures of proceeds from the proceeds of informal businesses, and they have an average monthly income of less than N250,000. The largest volume of activities in the informal sector is in retail trade. The gender dimension of the earnings of the informal sector is stated as follows:

Compared to women, men were more than twice as likely to earn more in the informal sector, even though the overall earning potential remains low. Nine out of 10 women owned businesses in the informal economy earn less than N250,00 monthly.

There are reports that some individuals in formal employment whose income is insufficient are involved in multiple engagements in the informal sector that increase their streams of income.

"The Minister of Education, Adamu Adamu, has directed a full investigation into the report of the Independent Corrupt Practices and Other Related Offences Commission (ICPC) on how N2.67 billion released for school feeding of the 104 Unity Colleges during the COVID-19 lockdown found its way into individual accounts": See Premium Times of October 6, 2020- <https://www.premiumtimesng.com/news/top-news/418849-n2-67b-school-feeding-fraud-minister-orders-investigation.html?tztc=1>
Informal Economy Report 2024 by Moniepoint.

4.3.2 Resort to Loan Sharks and Predatory Lenders

The Minister of Finance, Wale Edun, states that only 5% of Nigerians have N500,000 or more in their savings accounts. This means that the majority of Nigerians live from hand to mouth and cannot mobilise resources for emergency interventions. Many Nigerians are resorting to loan sharks and predatory lenders to pay for basics, such as food, rent, medical care, and children's school fees. Nigeria has over 200 online registered lenders. These loans are generally not in the interest of borrowers but overtly benefit the lenders who charge outrageously high interest rates and fees well above the inflation rate and the MPR of the CBN. Interest rates are as high as 30-50% within three months. Their penalties for default are mind-boggling, as defaulters can be made to pay 1% interest for everyday of default. They demand access to the borrower's contacts, location, SMS, calendar, phone history, device identification, call and text history, other data, and access to camera when they sign up. This allows them to violate privacy rights upon the borrower's slightest default. Their methods of loan recovery are unethical and sometimes illegal.

4.3.3 Migration - the 'Japa' Syndrome

Many Nigerians, including seasoned professionals and the youth, have become disillusioned with the political and economic system and, therefore, have left the country for opportunities overseas. These include medical professionals, especially doctors and nurses, ICT experts, lecturers, etc. Nigeria has lost about 16,000 doctors to migration in the last five years. The number of applications for visas has dramatically increased. The youth includes both skilled and unskilled individuals. Some of the youth who desire to leave simply want to be in any other country but Nigeria, as the austerity measures have raised the level of desperation and hopelessness.

In 2022, 15,000 doctors, engineers, IT specialists and academics left Nigeria; in 2023, 18,000 of these specialists left and in 2024, 20,000 have already left. Within the period 113,000 students, labourers and asylum seekers left the country. These figures are data about persons who left through the formal means and routes, excluding persons who may have left illegally.

4.3.4 Lifestyle Change

Many Nigerians are now skipping meals. Instead of eating three times a day, many households have resorted to eating once or twice a day to cope with diminished income. Others are consuming smaller quantities of meat, fish, vegetables, and fruits. They are restricting themselves only to what they consider the essential carbohydrates. The implication is that nutritious and balanced diets have now become the preserve of the rich and middle class. However, there are welcome cutbacks on alcohol consumption.

Informal Economy Report 2024 by Moniepoint at page 23.

<https://guardian.ng/only-5-of-nigerians-have-n500000-in-bank-accounts-says-finance-minister/> see the Guardian Newspaper of February 24, 2024 as reported by James Agberebi.

Nigerians resort to emergency loans as austerity and inflation bite; <https://www.ft.com/content/2dbc240e-328a-452b-9347-5091d74f4003>

Why loan sharks are no longer a good choice in 2024 by Opeoluwa Dapo-Thomas; <https://nairametrics.com/2024/04/06/why-loan-sharks-are-no-longer-a-good-choice-in-2024/>

Punch newspaper report of 11th March 2024, attributed to the Minister of Health and Social Welfare, Dr. Pate.

Sources: National Population Commission (NPC): www.population.gov.ng; International Organization for Migration (IOM): www.iom.int/migration-data; United Nations High Commissioner for Refugees (UNHCR): www.unhcr.org/research and ; Nigerian Bureau of Statistics: www.nigerianstat.gov.ng

Nigerians are travelling less for celebrations, like Christmas, New Year, and Islamic festivals. Most families celebrate these festivities where they ordinarily reside.

4.2.5 Farming

With the increasing cost of food, many families, especially women, have taken to farming, including home gardens, to supplement their sources of food. Home gardens for vegetables and planting yams in sacks, as well as pens for chicken and poultry, are becoming popular in society. The wife of the President, Oluremi Tinubu, recently launched the 'EveryHomeAGarden' initiative. This initiative is targeted at inculcating the habit of farming and food production into society right from the family unit and promoting healthy eating.

4.3.6 Cooperative Societies and Savings Associations

Women and men are forming and joining cooperative and mutual help societies. A cooperative is an “association of persons (organisation) that is owned and controlled by the people to meet their common economic, social, and/or cultural needs and aspirations through a jointly owned and democratically controlled business (enterprise)”. They are also starting daily or weekly contributions, which enables members to access capital in turns or simply save for their families.

4.3.7 Women's Networks

According to a recent ActionAid study:

Women's networks play a vital role in providing financial and emotional support. These networks are often organised along cultural (ethnic) and religious lines. They primarily serve as mechanisms for escape and companionship for most women. In addition, they fulfil informal roles when members need social connections and resource networks to address other challenges they face.

These networks are increasing daily as coping mechanisms for economic hardship.

4.3.8 Online Education and Livelihood Opportunities

Many youths are resorting to online training for acquisition of skills, certificates, new knowledge and competencies that can create employment and a means of livelihood for them. Some of these skills are in ICT and in trading of non-tangible goods and services, etc. Furthermore, many youths are using their skills to find remote work, engage in online trading, and trade in various types of currencies, etc.

<https://www.thecable.ng/photos-remi-tinubu-joins-everyhomeagarden-competition-asks-women-to-embrace-farming/>
<https://ncdc.unl.edu/what-cooperative>
The Impact of Nigeria's Removal of Fuel Subsidies and the Floatation of the Naira on Women and Girls, Action Aid Nigeria, July 2024.

4.3.9 Health

Available reports indicate an increasing patronage of traditional and unorthodox medicine. Indeed, there is an increase in patronage of quack medicine. However, this is associated with a negative cost to good health. The price of imported and locally manufactured orthodox drugs and goods has escalated by no less than 300% between June 2023 and July 2024. The consultation costs of medical experts have also increased. In hospitals where consultants and high-level experts have left for greener pastures, there have been no replacements, as the high-level staff are not readily available for recruitment. New capacities need to be developed through training.

4.3.10 Negative Coping Strategies

A study on “Poverty and Coping Strategies of Unemployed Youths in Cross River State” found a strong nexus between increasing crime and vices and harsh economic conditions.

The phenomenon of poverty has been identified as one of the increasing social challenges in Nigeria and has been linked to a number of social problems, including street crime, substance abuse, internet fraud, armed robbery, ritual killings, kidnapping, and youth restiveness. Scholars have also argued that whereas the youth is the locomotive of national development and contributes immensely to the sustenance of the developmental momentum of a nation, youths in Nigeria are largely unemployed and redundant. The social consequences of this are enormous and can only be explained from the lens of the restricted opportunity theory and the strain theory. Other vices include commercial sex work, theft, cyber fraud, and armed robbery.

It recommends public interventions, including skills acquisition, vocational training and funding of small-scale enterprises.

The Impact of Nigeria's Removal of Fuel Subsidies and the Floatation of the Naira on Women and Girls, Action Aid Nigeria, July 2024.
Poverty and Coping Strategies of Unemployed Youths in Cross River State, Nigeria; https://www.researchgate.net/publication/348243898_Poverty_and_Coping_Strategies_of_Unemployed_Youths_in_Cross_River_State_Nigeria, by Emmanuel Nwakanma and Joseph Egidi Igbe, December 2020.

Part Five

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions

Austerity is not a given; it does not just happen. It is usually a product of deliberate and targeted steps and policies by governments, which contradict the basic aphorism that the security and welfare of the people are the primary purpose of government. Nigeria is facing stagflation, with its very low growth, high inflation, and unemployment levels. However, economic conditions leading to the consideration of austerity measures provide opportunities for intelligent leadership to use the poor macroeconomic indicators as a tool for a rights-based economic reform that mainstreams the need to grow the economy, improve productivity, and reduce poverty and inequality.

Nigerian austerity measures have been crafted without reference to their impact on the right to an adequate standard of living. Contrary to national and international standards, the measures did not plan for safeguard measures or the duty of government to guarantee the minimum core obligations that respect the minimum core content of basic rights, such as food, education, employment, housing, livelihoods, water and sanitation. There is no evidence of appropriate planning for new austerity frameworks in terms of modelling their impact on poverty levels, measures of mitigation, and alternative plans of action. Furthermore, course correction is not part of the plan; rather, it involves doubling down on more of the same medicine as the hardship arising from austerity deepens.

There were conditions precedent to key parts of the austerity measures: the removal of fuel subsidy and the flotation of the currency. However, these conditions precedent, such as domestic refining of petroleum products to add value and save scarce foreign exchange, were not met and were instead ignored. Opportunities that have since arisen in local refining of crude oil through the private sector have, to a great extent, been frustrated by federal government regulatory agencies. The government's failure to provide basic security has led to a food crisis and a new policy response of a 180-day duty-free food imports, which compounds the challenges of food security and sovereignty.

The hardest-hit part of the population is women and girls, who, even in better times, have been the face of poverty in a patriarchal society. The youthful segment of the population has experienced massive unemployment, as shown by data from the National Bureau of Statistics. There was no plan to ameliorate the hardships for people living with disabilities. Indeed, a significant portion of the last austerity measures was announced by President Bola Ahmed Tinubu (BAT) at his swearing-in ceremony, at a time when there were no ministers, advisers, or support staff. This study, therefore, provides an opportunity for interrogation, review, course correction, and new pathways that will lead to people-centred economic growth, reduced inflation, and the ascendancy of employment creation in a new economic framework that emphasises the reduction of poverty and inequality.

5.2 Recommendations

The following recommendations are based on the facts documented in this study.

5.2.1 Review National Social Register (NSR)

The NSR is the register that should be used for access to social security interventions, including the conditional cash transfer scheme, the BHCPF, the distribution of grains, etc. It should be reviewed to ensure comprehensiveness in terms of capturing all persons who fall within the vulnerability bracket and removing persons who do not qualify to be there. It should be reviewed periodically. The review process should be transparent and reliable, and the indicators qualifying a person to be on the NSR should be publicly available.

5.2.2 Develop Gender, Disability, and Vulnerability Indicators Across the MDAs

MDAs initiate policies, implement them, and decide and manage budgetary resources for the execution of laws and policies. It is, therefore, imperative that gender, disability, and vulnerability considerations are mainstreamed in all MDA policy and budget interventions. Key economic managers in fiscal and monetary policy should take the lead. These indicators should include those for monitoring, reporting, and evaluation.

5.2.3 National Social Protection Policy

Approve and fully implement the National Social Protection Policy through relevant enabling laws and MDA measures.

5.2.4 Expand the Economic Policy Formulation Space

Involve diverse stakeholders, including women, youth, and people living with disabilities, in the economic policy development process to ensure their needs are addressed.

5.2.5 Establishment of a Robust Monitoring and Evaluation Framework

Establish a robust monitoring and evaluation framework to periodically assess the impact of policies and interventions and make necessary adjustments and course correction that would help the economy at large

5.2.6 Response to Fuel Subsidy Removal

The responses should not be promises in perpetuity but to be immediately implemented.

- Provide alternative subsidised energy sources for cooking, such as liquefied petroleum gas (LPG) and clean cooking stoves. The stoves should be locally produced.

- Invest in transportation through other fuels, like CNG, provision of public mass transit, including high-capacity buses, trams, and railways. The CNG-powered buses should be locally manufactured or assembled.
- Provide transport vouchers and other assistance for the poorest of the poor identified in the NSR.
- Cash transfers should be funded by savings from subsidies and reduction in governance costs. Under no circumstances should Nigeria borrow for cash transfers, as it is not sustainable.
- Establish clear and transparent mechanisms for reinvesting fuel subsidy savings into social and infrastructure sectors.
- Conduct diligent investigations and prosecutions and prosecute oil thieves and individuals who have abused the subsidy regime.

5.2.7 Grow an Inclusive Economy

Sluggish economic growth and reduced government revenues set the stage for austerity measures. Therefore, countermeasures must be adopted for economic growth to return; this would be supported by targeted measures to reduce inequality and guarantee everyone a universal minimum social protection floor. Improve the ease of doing business, and while wooing foreign investors, ensure that local investors and existing investments flourish and do not close down.

5.2.8 Oil Sector Reforms: the following reforms are pertinent:

- Grow investments in the oil sector; properly manage and account for proceeds of oil and gas.
- Curb oil theft through metering and the use of ICT in oil production and flows.
- Change the model of NNPC engagement to a development oil initiative, as practiced by Saudi Arabia's ARAMCO and Brazil's PETROBRAS.
- Rehabilitate the public refineries.
- Provide crude feedstock for domestic private refineries as a priority before exports.
- Properly regulate the petroleum sector to ensure quality of products and prevent market abuse through monopoly power.
- Stop the importation of refined petroleum products to save foreign exchange as soon as the local refining capacity can meet local demand.

5.2.9 Security

Restore security across the length and breadth of the Federation to guarantee safety for farmers and all persons in pursuing their legitimate livelihoods. This will improve agricultural

output, enhance food security, and increase value addition across all sectors of the economy. It will facilitate a response to high food inflation and reduce the need for duty-free food imports as contemplated by the BAT administration.

5.2.10 Specific Response to the Food Crisis

Targeted budget investments should go to small-scale farmers, especially small-scale women farmers who produce the bulk of our food. The investments should focus on:

- Light mechanisation equipment that is locally produced and serviced to reduce drudgery in farming.
- Extension services for improved knowledge and implementation of outputs from agricultural research institutions and climate change mitigation and resilience.
- Access to organic fertilizers and manures for improved yields.
- Provision of renewable energy in rural areas for food preservation and value addition, etc.

5.2.11 Procurement Reforms

Public procurement can be deployed as an instrument to facilitate growth through deliberate “buy made in Nigeria policy”. A situation where the bulk of capital expenditure releases at federal and state levels are converted to foreign currencies to facilitate the import of goods and services that can be locally produced cannot be a recipe for economic growth. Public procurement can be programmed for inclusivity and give domestic preference to goods and services produced by women, persons living with disabilities, and other vulnerable groups.

5.2.12 Exchange Rate

Considering Nigeria's relatively low capacity for the production of goods and services and the experience of the floating of the currency, there is a need for course correction through a managed float arrangement in which the rate is neither fixed nor allowed to float endlessly. The rate should be managed by the CBN for strategic national economic objectives and priorities such as boosting exports, reducing inflation, and preventing excessive depreciation.

5.2.13 Monetary Policy Rate and Cash Reserve Ratio

- The MPC of the CBN should stop any further hikes in the policy rate and begin to gradually reverse the rate to no more than the projected 2024 budget rate. The hike is reducing growth, increasing the cost of production of goods and services, and facilitating unemployment.
- The CRR of money deposit banks should be restored to no more than 30%.

5.2.14 Progressive Taxation

New tax policies should jettison any further increase in VAT. Tax policies should be made progressive instead of the current regressive regime.

5.2.15 Restore the School Feeding Programme

Roll out this programme across the federation but ensure that no less than 50% of the vendors, both for supplies and cooking, are female entrepreneurs. Where sole female entrepreneurs may not meet the technical procurement requirements, especially in access to capital, consider engaging women cooperatives. The programme should be funded through collaboration among the federal, state, and local governments, as well as the private sector and charities.

5.2.16 Health

- The FGN, state governors, and the National Assembly should work collaboratively to increase the funding of the BHCPF to 2% of the Federation Account, as opposed to the current 1% of the consolidated revenue fund of the FGN.
- The implementation of BHCPF should target and prioritise maternal and child health.
- The FGN should establish the Vulnerable Group Fund as provided in the National Health Insurance Authority Act to make more resources available for the health needs of the indigent and vulnerable populations.
- The register that entitles individuals to access the BHCPF should be reviewed in accordance with the recommendations on the NSR.
- The FGN, through the Federal Ministry of Health, should enhance transparency and accountability in managing and expending funds dedicated to health access for the vulnerable and indigent populations.
- The National Health Insurance Authority should set in motion measures to activate the compulsory health insurance regime provided in the enabling law. This will increase the pool of public and private funds available for universal health coverage.

5.2.17 Presidential Conditional Grants Scheme

Ensure the full implementation of this Scheme, especially in its targets of 70% women and youth, 10% people with disabilities, and 5% senior citizens, with the remaining 15% distributed to other demographics.

5.2.18 Strengthen Women's Networks, Cooperative and Savings Societies

Women's cooperative societies, support networks, and credit societies should be supported and strengthened, especially by the Ministry of Women's Affairs acting as the contact point and facilitating their capacity building. This strengthening will include access to credit, new organisational knowledge, links to producers and wholesalers, and access to technology to enhance operations. Coping and resilience mechanism devised by persons who are victims of poor economic policies should not be left to fizzle out but should be strengthened.

5.2.19 Emergent Opportunities in Strengthened Local Government System

The recent judgement of the Supreme Court granting autonomy to local governments across the federation has provided an opportunity for women and youth groups, persons with disabilities, and the vulnerable to engage in governance at the lowest level and to mainstream their needs into the budgetary and governance processes. Civil society should engage these groups and build their capacity to advocate for basic needs in primary health care, sanitation, basic education, agriculture, rural roads, markets, etc. Enhanced engagement and participation in budgeting, policy formulation, and implementation will lead to improvements in livelihoods and basic rights, such as education and health.

5.2.20 Universal Basic Education Fund


States should increase budgetary allocation to UBE, and duly release budgeted funds, and ensure their effective utilisation. Furthermore, states should ensure the full drawdown and utilisation of funds available to them from the Universal Basic Education Commission. There should be enhanced transparency and accountability about the utilisation of UBEC and other funds.


5.2.21 Plug Leakages and Fight Corruption

Nigeria's critical challenges with corruption have led to the mismanagement of available public resources and their outright theft. The FGN and states must open up the governance process through increased transparency and accountability mechanisms that document public expenditure on a timely basis; this information should be available to the public.

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