

**IMPACT OF PRESIDENT BUHARI'S ECONOMIC POLICIES ON THE
NIGERIAN NAIRA (2015-2023)**

BY

**IZIBILI SUCCESS AIZENO-OSE
ART1801193**

**A PROJECT SUBMITTED TO THE DEPARTMENT OF
HISTORY AND INTERNATIONAL STUDIES IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF ARTS (B.A.)
HONOURS DEGREE IN HISTORY,**

**UNIVERSITY OF BENIN,
BENIN CITY.**

SEPTEMBER, 2023

CERTIFICATION

This is to certify that this project work was carried out by IZIBILI SUCCESS AIZENO-OSE with matriculation number ART1801193 in the Department of History and International Studies, University of Benin, Benin City under my supervision.

DR. ALBERT O. ONOBHAYEDO
Project Supervisor

DR. ALBERT O. ONOBHAYEDO
Head of Department

Date

Date

DEDICATION

This project work is dedicated to God Almighty for His grace, mercies and power given to me in the course of my programme in the university of Benin, and to my late mother QUEEN AIKEGBE.

ACKNOWLEDGEMENTS

I want to acknowledge God almighty for the strength, his faithfulness, consistency, steadfastness, loyalty and dedication he keeps showing towards me, and the graces he enabled me to come this far in life and in the course of my study. I'm most grateful.

My immense gratitude goes to my indefatigable Dad, Mr Joseph Izibili for his constant show of love, his sacrifices, patience, guidance and teachings, which have formed a better part of who I am today, and has been a major support system for me throughout my stay in the University. I love you Dad. Also, to my siblings, Praise Izibili, Winnie Izibili, and Rest Joseph, I want to say a big thank you for your support one way or the other, I'm so grateful.

I also want to appreciate my charismatic project supervisor, Dr. Albert O.Onobhayedo for his meticulous guidance and supervision towards the completion of my research. I am very grateful sir and I pray that Almighty God in his infinite riches bless you abundantly.

My appreciation also goes to every educator in the Department of History and International studies, who took carefully took out time to educate the minds of their students, including me, for this I am very grateful. I would also like to appreciate my friends, Miracle Azuka, Peculiar Ogbeide, Chinyere Anita Dibia, and my darling Alufa Zaneta Esosa, among others. Thank you guys so much for being there, and checking up on me.

A Special appreciation to my Pastors, the highly esteemed Pastor Charles Azikiwe, Pastor Kelvin Imaseun, Pastor Oche Emmanuel, Pastor Obaro Erivona, and a profound appreciation to the esteemed Pastor Chika Joseph. Thank you Sirs and Ma, for teaching me how to always win, and for being a conduit to which the graces of God have been imparted in me. I'm sincerely grateful.

To others who supported me in this Journey, like my second Dad, Engr. Anslem Ijeabor, thank you so much sir for your continued support and love, I'm grateful.

TABLE OF CONTENTS

Cover Page	i
Title	ii
Certification	iii
Dedication	iv
Acknowledgment	v
Table of Content	vii
CHAPTER ONE: BACKGROUND TO THE STUDY	
Introduction	1
Aim and Objectives of the Study	2
Scope of study	3
Literature Review	4
Methodology	5
Endnotes	7
CHAPTER TWO: ECONOMIC POLICIES OF PRESIDENT BUHARI	
The economic policies of Buhari	10
Endnotes	24

CHAPTER THREE: IMPACT OF THE ECONOMIC POLICIES OF BUHARI ON THE NAIRA

Impacts of Buhari's economic policies on the naira 25

Endnotes 36

CHAPTER FOUR:

CONCLUSION 37

Bibliography 41

CHAPTER ONE

Background to the Study.

1.1 Introduction;

It would be recalled in 2015, when former President Mohamadu Buhari took over power from the People's Democratic Party, (PDP), the nation was at its precipice. Some pundits believed that the "saviour" had come as there was high volume of insecurity across the nation, particularly in the North East and other parts of the North. People could hardly move from one location to the other across the country for fear of kidnapping as well as other terrorist attacks.

It was at the beehive of these social societal ills that President Buhari came with the mantra of "Change" which encompassed a four point agenda of: fighting insecurity, revamping the economy, fight the dreaded monster of corruption, and alleviate poverty.¹ All these were in a bid to enact commiserate policies that would reposition the naira. Recall also, in his campaigns he actually promised Nigerians that he was going to bring the naira to exchange for one naira to one U.S. Dollar, which was at that time was exchanging for between 150-170 naira to a dollar.

It is pertinent to state here at this juncture that in 2023, when Buhari was leaving office and handing over to another APC government, the naira was exchanging for over 750 naira to a dollar in the parallel market and about 600 in the official market.⁶

This dangerous dimension of the negative impacts of the economic policies of the Buhari government, on the naira is what this study seeks to examine. We will also examine the economic policies of former President Muhammadu Buhari and the impacts of these policies on the Naira between the start of his administration in 2015, up until he left office in 2023. The administration initiated some economic policies aimed at improving the economy and the livelihood of the citizens. Some of them includes: The Anchor Borrowers' Program (ABP), Trader Moni, National Feeding Program, the N-Power Initiative and the Naira redesign policy in the twilight of his administration.²

In the end Buhari left a legacy of debt which almost double from 18% to 35% of the GDP, Inflation at 22.4% with 133 million Nigerians in poverty.²

1.2 Aim and Objective of Study.

Aim

This research aims at finding what impacts the economic policies of former President Muhammadu Buhari had on the Nigerian Naira. We will look at the Journey of the exchange rate of the naira from the inception of the Buhari's administration til his exist from power in 2023. The impacts (whether positive or negative) of his economic policies, which is the focus of this study, will be examined.

Objectives.

The objectives of this study includes to:

- 1.)examine the impact of Buhari's policies on the economy;
- 2.)underscore it's overall impact on the Naira;
- 3.)determine its impact on the citizens; and
- 4.)highlight the successes or otherwise of those policies.

1.3 Scope Of Study.

This study will explore the several economic policies under President Buhari, the processes of their implementation, and the effects of these policies on the economy, from 2015-2023. The extent to which these policies formed the Nigeria of today will also be examined. The Buhari administration played a major role in the economy of Nigeria, especially with the foreign exchange rates. The campaign promises of the Buhari administration will be studied in this research, and the extent to which these promises were achieved or otherwise will be examined, especially the impact his policies had on the naira, which is the focus of this study.

We will also take a look at the roles played by several institutions like the Central Bank of Nigeria (CBN), in the implementation of the economic policies of President Buhari.

We will study the weaknesses and shortcomings of his policies, with its subsequent effect on the Nigerian economy.

1.4 Literature Review.

This study uses the works of articles, publications, Journals, books by authors with a wide knowledge on the subject. The book "People around Nigeria's President Buhari by Yusuf Ozi-Usman is one of the major sources of information in this study. Yusuf Ozi-Usman was born in Okene, Kogi State of Nigeria on December 25, 1959. He is a mass communications product of Bayero University Kano (BUK). He did his post graduate study in Journalism at the international institute of Journalism (IJ) Abuja, Nigeria. He is a prolific writer and veteran journalist, who had worked actively from 1981 to 2012. He is a playwright, a poet, and an avid researcher, who has previously authored seven books, including an Ebira- English dictionary. He was also adjudged the best reporter of the year in 1998 by the Kano State chapter of the Nigerian union of journalists (NUJ).

He is currently the Editor-in-chief/Chief Executive officer of GREEN BARGE MEDIA AND COMMUNICATION LIMITED, publisher of Greenbarge reporters, a fast growing online medium, via www.greenreporters.com. As well as hard copy magazine.

The book covers the eight years of Buhari's government, and men and women who have in one way or the other participated in the running of the country, from May 29, 2015, up

until May 29, 2023. It features profile of the first and second term ministers, relevant close aides in and around the Presidential Villa in Abuja.

It also chronicles the APC State governors' from 2015, party leaders, national assembly leaders, heads of security and intelligence organizations, including the Department of State Services (DSS), National intelligence agency (NIA), National security agency (NSA), Nigerian Communications commission (NCC), those on the socioeconomic driving seat, such as the CBN, FIRS, as well as the former first lady, Aisha Buhari, among others. The achievements and failures of the Buhari administration are also covered in the book.

Another major source of information in this research, is the work initiated by May publishing, which 94 scholars came together to work on, themed "Muhammadu Buhari: The Nigerian legacy (2015-2023).

The 125 Chapters series captures the policies, programs, projects, challenges, achievements, and shortcomings of the former President Buhari, including his ascension to power. Other works in this study are referenced.

1.5 Methodology.

This Study employs the historical methodology. Information was acquired from both primary and secondary sources. The primary source were largely interviews granted by some well informed respondents, articles, official government publications, government

reports, books, Journals, Newspaper cuttings, E-Journals, reputable financial news sources, reports from financial institutions(like the CBN, the Bureau de Change, Budget office figures, BudgIT, e.t.c.). The secondary sources were majorly internet sources and materials, such as blogs, online sites, news media, and accessibility to the mass Media, e.t.c. All the information sources were used to provide rich and detailed knowledge, as well as enable a thorough research to the subject of the study.

1.6 Chapter Outline

This study is divided into four chapters.

CHAPTER ONE: Background to the study.

CHAPTER TWO: The Economic Policies of President Buhari.

CHAPTER THREE: Impacts of the Economic Policies of President Buhari.

CHAPTER FOUR: Conclusion.

Endnotes

- 1) Ozi-Usman, Yusuf, "*People around President Buhari: The eight years of Buhari's government in perspective.*
- 2) May publishing, *Muhammadu Buhari : The Nigerian legacy (2015-2023).*
- 3) The Nation newspaper of Monday, November 19, 2018. Accessed 20/September/2023.
- 4) Ibid., P.6
- 5) The Punch Newspaper of Monday November 19, 2018. Accessed 20/September/2023.
- 6) Ibid., P.2.
- 7) CBN in the news, Retrieved from <https://www.cbn.gov.ng>. Accessed 19/September/2023.
- 8) Daily sun Newspaper of Monday, November 19, 2018. Accessed 20/September/2023.
- 9) Ibid., P.6.
- 10) Front page Daily Trust Newspaper of Monday, November 19 2018. Accessed 20/September/2023.
- 11) Ibid.,PP.5
- 12) Ibid., P.41.

- 13) Vanguard newspaper, retrieved from <https://vanguardngr.com>.
- 14) This day of November 19, 2018. Accessed 20/September/2023.
- 15) Ibid., P.2.
- 16) Vanguard Newspaper of November 19, 2018. Accessed 20/September/2023.
- 17) Ibid., P.1.
- 18.) Ibid., P.10.
- 19) Nigerian Tribune of November 19 2018, Accessed 20/September/2023.
- 20.) Ibid., P.25.
- 21) Leadership Newspaper of December 5, 2018. Accessed 20/September/2023.
- 22.) Front page of This day, January 7, 2019. Accessed 20/September/2023.
- 23.) Daily Sun Newspaper, Thursday January 31, 2019. Accessed 20/September/2023.
- 24.) Ibid., P.12.
- 25.) Nigerian Tribune of January 17, 2019. Accessed 20/September/2023.
- 26.) Ibid., P.9.
- 27.)Front page of the Vanguard Newspaper, February 9, 2019.

28) The Cable Nigeria. Retrieved from <https://www.thecable.ng.com>.

29) Premium Times Nigeria. Retrieved from <https://www.premiumtimes.ng.com>

30.) Mohammed, Olakunle, from Business day. May 10, 2023. Retrieved from <https://businessday.ng>.

CHAPTER TWO

Economic Policies of President Muhammadu Buhari.

President Muhammadu Buhari won the presidential election in 2015, which birthed new policies aimed at redirecting the scarce resources of the nation towards achievement of prosperity for all, while at the same time surmounting the challenges of nation building. President Buhari met an economy that depends on crude oil with the black gold accounting for over 10 percent of government revenue and over 90 percent of foreign exchange. The country had huge import bills, as it consumed much of what it does not produce, with high importation of agricultural products which could be produced locally.²⁵

When Muhammadu Buhari assumed office as the President of Nigeria in May 2015, he inherited an economy facing significant challenges. The Nigerian economy was grappling with issues like a decline in oil prices, high unemployment, inflation, a large budget deficit, and a general sense of economic instability. The over-reliance on oil as a major revenue source made the economy particularly vulnerable to fluctuations in global oil prices¹². Buhari's administration aimed to address these issues and diversify the economy to reduce its dependence on oil.

President Buhari's campaign in 2015, ran on a mantra of 'change'. He made numerous promises to Nigerians during the campaign. Buhari's campaign promises as presented by

the vanguard¹, highlights a number of areas and issues, which he promised to 'change'. His campaign promises includes subjects like politics and governance, national security and defense, foreign policy, the economy and infrastructure e.t.c. President Buhari had a lot of strong points, which he raised and promised to work on if elected. For the purpose of this study, we will focus on his economic policies. Under the economy and infrastructure, Buhari promised to:

(i) maintain sound micro macro-economic policy environment, and run an efficient government and preserve the independence of the central bank;

(ii) restore financial confidence in the citizens and the world by putting in place a more robust, monitoring, supervising, and regulating of financial institutions;

(iii) make our economy one of the fastest growing economies in the world with a real GDP growth averaging at least 10-12% annually;

(iv) as at 1999, Nigerian rate of unemployment stood about 8%, as at 2015, it was estimated from official statistics to be close to 30%. He promised to embark a vocational training, entrepreneurial and skill acquisition scheme for graduates along with the creation of small business loan, guarantee schemes to create at least 5 million jobs by 2019.¹ A small and medium enterprise development commission will be created for this purpose. He also promised to encourage state governments to focus on employment creation, by making jobs for everyone in the state;

(v) integrate the informal economy into the main stream and prioritize the full implementation of the National identification scheme to generate the relevant data;

(vi) expand domestic demand and will undertake the associated public works programmes to achieve this goal;

(vii) embark on export and product diversification including investment in infrastructure, promote manufacturing through agro based industries, and expand and promote sub-regional trade through ECOWAS and AU;

(viii) make information technology, manufacturing, agriculture, and entertainment key drivers of our economy, by reviewing the present reward system, which is based on certification, to that based on skills, competencies and performance;

(xi) balance the Nigerian economy across regions by the creation of six regional economic development agencies (REDAs) to act as sub regional hubs in order to promote healthy regional competitiveness; and

(x) put in place a 300 billion naira regional growth fund with an average of 50 billion naira in each geo- political region, to be managed by the REDAs, to encourage private sector enterprise, and to support places currently reliant on only the public sector, to migrate to a private sector reality.³

These were some of the aspects that the Buhari campaign in 2015 ran on. Seeing the weaknesses of the Jonathan administration which preceded his administration, and the areas which its government lagged, Buhari centered his manifesto on the weaknesses of the Jonathan government, promising to improve the state of the educational system by empowering teachers in technology, who would in turn pass it to students in different tiers of schools, stop the sharp tooth of corruption from sinking in deep into the economy, crash the exchange rate of the naira to a dollar, decrease the rate of unemployment through empowerment of youths, with programs like the N-power, and reduce the level of poverty, with the aid of structures like the Anchor Borrowers' program.

All of these were the key areas which the Buhari government sought to amend. Muhammadu Buhari during his tenure as President of Nigeria, implemented several economic policies aimed at addressing various challenges and fostering growth and development. Some of the main features of his economic policies includes:

- 1) diversification of the economy: Buhari emphasized diversifying Nigeria's economy beyond oil by promoting sectors such as agriculture, manufacturing, and solid minerals. This was intended to reduce the country's vulnerability to fluctuations in global oil prices;
- 2) anti-corruption drive: Buhari initiated an anti-corruption campaign to tackle corruption, improve transparency, and enhance public financial management. This was seen as essential to building investor confidence and attracting foreign investment;

3) infrastructural development: The Buhari administration prioritized infrastructure development, including roads, railways, power, and transportation, to enhance connectivity, promote business growth, and improve the overall quality of life for Nigerians;

4) social investment programs: Buhari's government introduced social intervention programs such as the National Social Investment Program (NSIP), which aimed to alleviate poverty, empower women, and provide employment opportunities for the youth;

5) fiscal responsibility and austerity measures: Efforts were made to improve fiscal responsibility, cut down on government spending, and rationalize recurrent expenditures to reduce the budget deficit and manage public debt;

6) trade and investment promotion: Buhari's administration sought to attract foreign direct investment (FDI) by creating a more conducive business environment, simplifying procedures for doing business, and promoting policies to boost trade;

7) agricultural transformation: The government focused on revitalizing the agricultural sector, promoting food security, and enhancing agricultural productivity through various initiatives, subsidies, and support for farmers;

8) monetary policies: The administration collaborated with the Central Bank of Nigeria to implement monetary policies aimed at controlling inflation, stabilizing the exchange rate, and fostering economic growth; and

9) ease of doing business reforms: Efforts were made to improve the ease of doing business in Nigeria, including simplifying business registration processes, reducing bureaucratic hurdles, and enhancing the overall business environment.

It's important to note that the success and impact of these policies were subject to various internal and external factors, and opinions on their effectiveness may vary among different stakeholders and economic experts.

During his campaign for his re-election in 2019, President Buhari launched a manifesto, in which he boasted of having built the "foundational work" to trudge up the stairs of the "next level"⁴¹. He was however accused by his opponent, Atiku Abubakar of the People's Democratic Party of not fulfilling his promises, as more Nigerians were falling into joblessness, and herdsmen- farmers conflict have claimed thousands of lives on the past years, with implications for the country's stability and unity- local and international reports show.

However, Buhari that he has not reneged on the promises- security, economy, and anti-corruption, which he rode on to win the 2015 election. He argued that his efforts have only amounted the helping to country out of a "depth of decay", and then a foundation

which if re-elected would serve as a basis for a stronger country- the next level⁴¹. According to the analysis of the document (manifesto) of president Buhari, when the premium times reviewed², during his re-election, president sought five pronged agenda:

1. Jobs:

Government's own official information shows that Buhari has presided over a worsening national job situation with unemployment standing at 18.8%-15.9 million people, by the third quarter of 2017 up from 16.2% in the earlier quarter. The situation negativity relates to the government's efforts such as the Anchor Borrower Programme, N- power, improving ease of doing business. In his re-election manifesto, not much is different, however, the targets are bigger. There are five main ways his re-election manifesto says the job creation agenda would be pursued. They include:

- i) N- power would engage 1 million graduates, and also, a promise to skill up to 10 million people under a voucher system in partnership with private sector;
- ii) Several millions of jobs are to be created through agriculture, including having Anchor Borrowers' Program to support input and jobs to one million farmers, livestock transformation plan, to create 1.5 million jobs, along diary beef hide and skin, blood meal crops, and agriculture mechanisation policy with tractors, and processors to create 5 million jobs;

iii) Buhari promised to provide 500 million dollars in funding, for tech and creative industry, to create 500 thousand jobs, and train 200 thousand youths for outsourcing market in technology, services and entertainment;

iv) Further jobs would be created for the with the creation of regional industrial parks and special economic zones, and 'Next level of 109 special production and processing centers (SPPCs) to spur production and value additive processing, as well as tractors and processors plan in each senatorial district; and

v) Buhari also vows 300,000 extra jobs, for vendors and farmers, by increasing the number of children fed under the school feeding programme from 9.2 million to 15 million.²

2. Infrastructure:

President Buhari's second term plans to improve the country's infrastructure desperately needed to buoy the economy, and ease living for citizens, were centered are four areas: roads, rail, power, and the internet, marked to be treated as 'critical infrastructure'. As promised to complete the second Niger bridge, which had been in the works before his coming. On the railway, he promised to complete the Lagos- ibadan- kano rail, eastern rail(port- harcourt- maiduguri), taking the network through Aba, all south-east state capitals, makurdi, Jobs, Bauchi and Gombe, and the coastal rail(Lagos- calabar).

He also promised to prioritize internet access to education, markets, primary healthcare and business clusters. Through renewable, clean energy sources such as solar, he planned on 'energizing' universities and up to 300 markets across the country to have an uninterrupted power supply. Then, further more, he promised a minimum of low MW New generation incremental power capacity per annum on the grid, and distribution to get to 7,000 MW under distribution expansion programme.⁷

3. There was also a storing of plans towards facilitating business and entrepreneurship in Buhari's next level plan. These includes, 'people mini bank', 'enterpreneurship bank' easing business process, and MSMEs clinics in ease in doing business, he promised to legislate and enforce deadlines for issuance of government licenses and permits, and simplify investments, customs, immigration, trade and production procedure. Then he would make and ne- stop shops of all regulatory agencies (CAC, NAFDAC, SON e.t.c.) under one roof in each senatorial district.

4. Human capital enhancement services, healthcare, education:

under this area, he planned to make all teachers retained to deliver literacy. He vowed that 10,000 schools per year will be remodeled and equipped for healthcare, he promised insurance for all using "co- payments to share the cast between individuals, the private sector and government", while "the poorest 40 percent will be exempted from such co-payment".⁵

5. Political inclusion:

President Buhari promised to ensure that 35 percent of his appointments go to females- a proposal that failed. He also promised to increase the number of youths for appointments to boards of public agencies, and a special mentoring programme in governance with young graduates working with ministers and other senior government appointees.

During President Buhari's administration in Nigeria, the Central Bank of Nigeria (CBN) implemented various monetary measures to manage the economy and address different economic challenges. Some of these measures includes:

1) adjustment of Interest Rates: The CBN would periodically adjust the policy interest rates, such as the Monetary Policy Rate (MPR), to influence borrowing costs and control inflation;

2)reserve Requirements: The CBN used reserve requirements (the amount of funds banks must hold in reserves) to influence the lending capacity of banks and manage money supply in the economy;

3)foreign Exchange Policies: The CBN managed the foreign exchange market to stabilize the exchange rate, including interventions to manage demand and supply of foreign currency;

4) cash Reserve Ratio (CRR) Adjustments: CBN would periodically adjust the CRR, which is the portion of deposits that banks must hold in cash with the central bank. This influenced the liquidity in the banking system;

5) loan-to-Deposit Ratio (LDR) Policies: The CBN introduced policies to encourage banks to lend more by setting minimum LDR targets, aiming to stimulate economic growth;

6) interventions in Priority Sectors: CBN implemented various targeted interventions to support priority sectors like agriculture, manufacturing, and small and medium-sized enterprises (SMEs); and

7) financial Inclusion Initiatives: The CBN launched initiatives to promote financial inclusion, aiming to increase access to financial services for underserved and unbanked populations.

When leaving office, President Buhari addressed the country about his policies and the choices he had to make. "We made some difficult choices," the Nigerian leader said before apologising for some of the negative impacts of the policies.

While he noted that most of the tough choices "yielded the desired results," he said, "Some of the measures led to temporary pain and suffering for which I sincerely apologised to my fellow countrymen, but the measures were taken for the overall good of

the country.” We made some difficult choices,” the Nigerian leader said before apologising for some of the negative impacts of the policies.

Mr Buhari said the Nigerian economy has become more resilient due to the various strategies to ensure that our economy remained afloat during global economic downturns. “You would all recall the supply chain disruptions and economic downturn that the world witnessed between 2020 and 2022 due to the COVID-19 pandemic. The deftness of our response to the pandemic still remains a global best practice,” the president said.¹⁷

However, available significant metrics show Mr Buhari failed in key areas of development as Nigeria’s president in the past eight years of his administration.

Although the government initiated policies and programmes that it claimed impacted Nigerians, Mr Buhari’s eight-year reign as president has seen the nation wriggle through numerous challenges as poverty worsened while inflation and unemployment climbed to the highest levels under him. Based on this and several other factors, many Nigerians believe the Buhari administration has performed way below his promises to Nigerians while seeking office eight years ago.

Key Policies under President Buhari.

Some of the key policies initiated under the Buhari-led administration to improve the country’s economy and the livelihoods of the citizens are the Anchor Borrowers Program

(ABP), Trader Moni, National Feeding Programme, the N-power initiative, and the controversial Naira redesign policy.⁶¹

The ABP initiative was designed to boost Nigeria's food self-sufficiency and improve foreign exchange earnings to diversify the country's oil-dominated economy to agriculture. Although the program increased the yield of some key crop commodities like maize and rice within the last eight years, the substantial investment in the sector over this period has not reflected in the country's food availability, affordability and accessibility, with millions of Nigerians struggling to purchase food amidst rising food inflation and poor income. The ABP programme was equally fraught with allegations of fraud and mismanagement.

The TraderMoni programme was designed to help petty traders expand their trade by providing collateral-free loans. Loans are said to be repayable over six months, and under the scheme, beneficiaries can get access to a higher facility ranging from N15,000 to N50,000 when they repay N10,000 within the stipulated time.¹²

The impact of this policy was not significantly felt among millions of petty traders in the country, as many believed that the initiative was hijacked by the political elites for the benefit of their followers. The programme was equally fraught with transparency issues as the criteria for selecting beneficiaries, and their data remain hidden, fueling allegations of corruption and nepotism.

The N-Power Programme was built to address the issue of youth unemployment and help increase social development, but the impact has been minimal as available data shows that the country's unemployment figures have been on a steady rise since Buhari assumed power. Between May 2015 and May 2022, the country's unemployment rate has more than tripled. Current NBS data shows Nigeria's unemployment rate is 33.3 per cent, translating to 23.2 million people, the highest in nearly two decades and the second-highest globally.⁴⁴

These were some of the key policies under President Buhari in the eight years he served as President of Nigeria. In the next chapter, we will discuss major impacts of the economic policies of the Buhari administration, especially on the Nigerian naira.

Endnotes

- 1) Premium times Nigeria. www.premiumtimes.ng.
- 2)TheCable. <https://TheCable.ng.com>.
- 3)TheGuardian. <https://www.theguardian.com>.
- 4)SaharaReporters.com.
- 5)Ozi-Usman, Yusuf, "*people around president Buhari*"
- 6)Ibid., PP. 41-45.
- 7) Business day Newspaper, retrieved from <https://www.businessday.ng>.
- 8) <https://www.goodreads.com>.
- 9) Vanguard Newspaper of November 19, 2018. Accessed 20/September/2023.
- 10)Ibid., P.25.
- 11) Nigerian Tribune Newspaper of November 19, 2018. Accessed 20/September/2023.
- 12)Ibid., PP. 60-61
- 13) Daily sun Newspaper of Thursday January 31, 2019. Accessed 20/September/2023.

CHAPTER THREE

Impacts of the Economic Policies of President Buhari on the Naira.

Upon President Buhari's takeover, growth slowed down to 2.35% in Q2 of 2015 (from 6.54% in Q2 of 2014), and oil prices sunk lower, reaching \$40 per barrel in December of 2015.⁴ Also, disruptions started to emerge from the Niger Delta pipe line bombings by militants, that led to production shut-ins of over 600,000 barrels, creating twin challenges of price and quantity deliveries. While it was expected that the Buhari administration would rally quickly to stem the weakening economy, it did not apply urgency. The signs were clear with the late appointment of ministers, and key cabinet officials.

The Jonathan administration offered a transition budget with a capital expenditure projection of 633bn naira (down from 1.55tn naira in 2014). While this was inadequate to stimulate the economy which was already in a tailspin, the absence of ministers within Buhari's first six months, compounded the error²³. By the time ministers were appointed, the budget had kicked In, but it would not be until May 6, 2016, that the budget was passed.

According to the budget office figures, in the first six months of weak economic conditions in 2016, the federal government only expended 159bn naira on capital expenditure. By Q2 of 2016, while other oil economies were fairly reeling from poor macroeconomic conditions, the Buhari government's inefficient approach to handling the

economic challenges, compounded the situation, and the Nigerian economy fell into recession.

A Money dance with the States: the Federal Government as a fiscal "nanny".

While the federal government began to ramp up expenditure quickly to stem the slide in the economy, it could not look away from the states' inability to perform their basic duties, such as paying their workers. According to BudgIT research, 33 out of 36 states were unable to meet their obligations to their workers, thereby collapsing state economies with withered industrial bases, and poor private sector capacities.²⁴

The Buhari government aided the states through re-calculation of the Paris club debt deductions, done by the federal government in the late 2000s. In addition, the Central Bank was tasked to provide a buffer for the states, ending with a series of interventions that included 614bn naira to states, 700bn naira for federal roads refunds, \$5.4bn for Paris club, and restructuring of commercial banks loans into FG bonds worth 575bn naira. This led to the opening of vaults, as the federal government continued to either spend or guarantee monies it did not have.²¹

The federal government was not immune from the liquidity crunch, with its propensity to spend to gear the economy. This opened up a Vista of " ways and means", that piled up to over 25tn naira as of 2023. Despite the road to recovery, the unexpected happened, as the federal government also launched the economic recovery and growth plan (ERGP), a

high spending plan that was meant to catalyze the economy to full recovery, which happened in late 2017, (reaching \$75 per barrel), with stable oil prices and production²⁴. The continuous spending also saw capital expenditure from the government rise from 1.44tn naira (2017) to 1.66tn naira (2018), and 1.71tn naira (2019), which meant that fiscal efforts were also increasing money in circulation at a frenetic pace.

As cash injection expanded, inflation started to whip up, considering that the "ways and means" (which should have been emergency support in a period of recession), became a staple of the federal government. The National assembly which was meant to be the stopgap, became reticent in the face of fiscal illegality. Through the years, the Buhari administration struggled to raise revenues to match its spending appetite.⁸

When the economy started to recover, COVID-19 struck in early 2020, collapsing global economies to which Nigeria was not immune. With the lag in demand, coupled with a slip in oil prices, Nigeria entered another round of economic recession, with negative growth of -3.62% in Q3 of 2020. The federal government offered a 500bn naira economic stimulus program with the Central Bank providing targeted support, rising to over 150bn naira.⁴¹

The Buhari Years: High inflation, High debt and low Growth.

According to the Budget office, between 2016 and 2022, the Buhari government raised total revenues of 26.67tn naira, and expended 60.64tn naira, leaving a deficit of 33.97tn naira. The gaping hole was financed with FG domestic debt, which rose from 8.84tn naira, as of December 2015, to 44.91tn naira as of June 2023, while external debt rose from \$7.35bn in December 2015, to \$37.2bn in June 2023. This excludes support provided by the Central Bank amounting to 25tn naira.

Ultimately, President moved Nigeria's debt profile from 42tn naira to 77tn naira. This has had attention effects on debt servicing, which rose from 1.06tn naira in 2015 to 5.24tn naira as of 2022. In fact, under President Buhari's administration, the debt-service-to revenue ratio grew from 29% to 96%.¹

During the administration of President Buhari, the Central Bank extended beyond its monetary policy remit, having a firm grip on fiscal policy with its outsized role. In fact, CBN policies increased the money supply from 18tn naira in 2015 to 55tn in 2023, while it provided unrestrained liquidity to the federal government. The Apex bank abandoned its primary mandate of price stability. It continued to apply blunt tools by raising the Monetary policy rate from 12.5%, while food inflation has continued to rise, despite over 800bn naira spent by the Central Bank on the Anchor Borrowers' program, which has been touted to have repayment challenges.⁶

Unemployment rose from 10.4% in 2015 to 33.4% in 2020 under President Buhari's watch, as the clumsy exchange rate management (with a wide difference between the official and parallel market rates), made it difficult for businesses to thrive. Buhari also prevaricated on the subsidy removal, which his administration spent at least 10tn naira to service. While Buhari's government planned to have the subsidy removed, as the price of crude oil rose, it failed to act and continued a wasteful venture that only required firm commitment to implement.⁶

While his administration wound up, it had the chance to seize another round of oil windfall with skyrocketing oil prices reaching \$114 per barrel (April 2022), but with little incentive to do so, as CBN "printing presses", continued to flood the system with liquidity. Nigeria's oil production slipped below one million barrel per day at a time when oil economies skyrocketed to an unprecedented fortune.⁴⁴

The attendant effect is that public revenues grew rapidly from 44.6% in 2015 to 59.4% in 2022. However, Nigeria's spending was untargeted, as several Budget analysis continued to show that the Nigerian budget performing below par, with agencies spending public funds without the mandate to do so, foreclosing any chances of fiscal consolidation.

Muhammadu Buhari's economic policies had a significant impact on the Nigerian naira, the country's national currency, which includes;

1)exchange rate fluctuations: The naira experienced substantial fluctuations in its exchange rate during Buhari's tenure. Economic policies and external factors influenced these fluctuations, including oil price volatility, forex reserve levels, and the Central Bank of Nigeria's interventions in the forex market;

2)foreign exchange reserves: The policies to conserve and stabilize foreign exchange reserves affected the naira. Measures to limit access to foreign exchange were implemented to conserve reserves and stabilize the naira's value;

3)forex controls and restrictions: The government implemented restrictions on access to foreign exchange for certain imports to conserve foreign reserves and promote local production. These controls impacted the value of the naira against other currencies;

4)parallel market rates: Due to restrictions and fluctuations in the official exchange rate, a parallel market emerged with a different, often higher, exchange rate for the naira. This created a dual exchange rate system, affecting businesses and individuals dealing in the parallel market;

5)inflation and purchasing power: The impact of these policies on inflation affected the purchasing power of Nigerians. Fluctuations in the exchange rate could lead to higher prices for imported goods, impacting the cost of living and consumer behavior;

6)investor confidence:: The policies and the resulting uncertainty influenced investor confidence. Foreign investors closely monitored the forex policies and stability of the naira before making investment decisions in Nigeria; and

7)import-dependent Sectors:Import-dependent sectors faced challenges due to restrictions and fluctuations in the exchange rate, impacting their cost of inputs and overall operations.

It's important to note that the effects of economic policies on a currency are complex and influenced by various factors. The value of a currency like the naira is affected by not only domestic economic policies but also global economic conditions, trade dynamics, geopolitical factors, and investor sentiment. The economic situation in Nigeria and the value of the naira continue to evolve over time, impacted by a multitude of factors.

The Naira redesign Policy and its Impacts.

One of the economic policies of the Buhari government that caused a whole lot of hassle for Nigerians, was the naira redesign at the twilight of his administration. In October 2022, Goodwin Emefiele, the then CBN governor announced the Apex bank's plan to redesign and recreate a new series of three banknotes, out of the existing eight. The redesigned 200 naira, 500 naira, and 1000 naira notes were due for circulation in December 2022. The Central Bank gave reasons for the naira redesign policy. According

to Mr. Emefiele, the policy would enable the CBN to take control of the naira in circulation, manage inflation, combat counterfeiting and ransom payment.²²

In his address, Mr. Buhari said redesigning the currency was intended to tackle inflation and illicit financial flow, as well as curb insecurity, especially the financing of "terrorism" and kidnapping for ransom.

During the first quarter of 2023, Nigerians experienced cash circulation shortages due to the naira redesign policy. This policy negatively impacted several informal sector businesses, such as local retail shops, artisans, and commercial bus drivers.¹⁶

Trading activities for small-scale manufacturers were also affected. The impacts of the naira redesign policy show a need to revive the cashless policy for small businesses to address cash scarcity.

The rejection of old notes by banks, motorists, and other traders caused significant challenges for Nigeria's informal economy. Also, the country's high percentage of unbanked individuals underscores financial inclusion. For instance, people living in remote areas without bank branches rely on point of sale agents with limited access to the new naira.¹⁸

As of February 2023, the Central Bank of Nigeria (CBN) maintained that the naira notes were no longer legal tenders. Though the decision got a nod from President Muhammadu Buhari, many state governors objected. The governors of Kaduna, Kogi, Zamfara, and

Ogun filed a lawsuit against the federal government and the CBN. The case successfully challenged the implementation of the currency redesign policy. The court held that the unconstitutional use of powers by Buhari on the naira redesigning, breached the fundamental rights of citizens in various ways, adding that such use of powers by the President, was not permitted under democracy, and was an affront to the Constitution.

The implementation of the naira redesign policy also revealed Nigeria's economic vulnerability. Due to limited access to physical cash, many Nigerians could not pay for basic needs and engage in trading activities. Some bank customers closed their bank accounts in protest of the cash crunch.²⁰

The CBN had projected that the naira redesign would reduce inflation. Yet, inflation rose to 22.04 percent in March. That was a 3.2 percent rise compared to when the new notes were introduced in December 2022. Cash scarcity caused negative impacts on food prices and commodities. Food prices rose by 0.45 percent during the cash crunch between February and March. The rise in essential items revealed that the CBN needed to complement the naira redesign policy with other monetary policies.

The apex bank has reluctantly complied with the Supreme Court judgment. CBN reintroduced the old 200 naira, 500 naira and 1000 naira into circulation. But, the damage to the economy has already been done. Nigeria's nominal GDP loss for the first quarter is estimated at ₦10 trillion due to problems caused by the naira redesign policy. Some

informal businesses lost money because they had to pay more for physical cash. The currency redesign policy resulted in unintended consequences and hardship for citizens.

When Buhari was leaving office, the exchange rate of the naira, and skyrocketed, in comparison to when he came into power in 2015.

This is a general overview of the exchange rate trends for the Nigerian naira (NGN) to the United States dollar (USD) during and around Muhammad Buhari's administration.⁹

1) Before Buhari's Administration (Pre-2015):

Before Buhari's administration, from around 2010 to 2015, the exchange rate averaged around 150-170 NGN per USD. However, there were periods of volatility and fluctuations during this time.

2) During Buhari's Administration (2015-2023):

Upon Buhari's assumption of office in May 2015, the official exchange rate was relatively stable around 197-199 NGN per USD initially.

However, the parallel market (unofficial market) often reflected a different and higher exchange rate due to forex scarcity and increased demand for foreign currency. During Buhari's tenure, the parallel market rate frequently exceeded the official rate.

3)After Buhari's Administration (Post-2023):

When Buhari was leaving office, and handing over to another APC government, the naira was exchanging for over 750 naira to a dollar in the parallel market, and about 600 in the official market. However, the exchange rate has since gone up again, since the recent government.

Endnotes

1)The Vanguard. <https://www.vanguardngr.com>

2) Business day article, by Mohammed Olakunle, May 10, 2023.

<https://www.businessday.ng>.

3)Ibid., PP.1-6.

4) CBN official website. <https://www.cbn.gov.ng>.

5) Omoboriowo, Bayo. A glossy Publication; *Being Buhari*

6) Ibid., PP.21-24.

7)Paden N. John, *Muhammadu Buhari:the challenges of leadership in Nigeria*.

8) Ibid., P.41-44.

9) Nigerian Tribune of January 17, 2019. Accessed 20/September/2023.

10) Ibid., PP.8-9.

11)Ibid., P.20.

12) Leadership Newspaper of December 5, 2018. Accessed 20/September/2023.

13) Ibid., PP.16-18.

CHAPTER FOUR

CONCLUSION

This chapter concludes the subject of this research. The Buhari administration left its traces, known as the Legacy of the Buhari government, and this legacy been a formational basis to the current situation of the Nigerian economy. Muhammadu Buhari who served two non-consecutive terms (first as a military ruler from 1983 to 1985 and then as a civilian president from 2015 to 2023), had both supporters and critics, and his legacy can be viewed differently depending on one's perspective. Here are some key aspects that were often discussed regarding his legacy, as his economic policies had both positive and negative effects.

Positive Effects

1.) Diversification Efforts: The focus on diversifying the economy helped reduce the over-reliance on oil, potentially making the economy more resilient to oil price fluctuations.

2.) Agricultural Revitalization: The emphasis on agriculture led to increased production and boosted food security. Initiatives like the Anchor Borrowers' Program supported farmers and improved agricultural productivity.

3.) Infrastructure Development: Investments in infrastructure aimed at enhancing transportation, energy, and connectivity can have long-term positive effects on economic growth, attracting investment and improving the business environment.

4.) Social Investment Programs: Social intervention programs, such as conditional cash transfers and school feeding programs, helped alleviate poverty and empower vulnerable segments of the population.

5.) Anti-Corruption Efforts: One of the central themes of Buhari's presidency was his commitment to fighting corruption. His administration established anti-corruption agencies and launched high-profile investigations into alleged corrupt practices. Supporters praised these efforts as a significant step toward cleaning up Nigerian politics and the economy. Critics, however, argued that progress was uneven, and some accused the government of selective prosecution

6.) Infrastructure Development: The administration initiated infrastructure projects, including road construction and railway expansion, aimed at improving transportation and connectivity in Nigeria. These projects were seen as critical for economic development.

7.) Foreign Relations: Buhari's administration had a focus on strengthening Nigeria's relations with neighboring countries and other international partners. His government played a role in regional diplomacy and peacekeeping efforts.

Negative Effects

1.) Economic Slowdown: Some of Buhari's policies, including strict forex controls and austerity measures, might have contributed to an economic slowdown, limiting business expansion and foreign investment.

2.) Foreign Exchange Policies: Forex policies were often seen as inconsistent, leading to challenges for businesses in accessing foreign exchange, which impacted imports, supply chains, and business operations.

3.) Uncertain Policy Environment: Inconsistencies and sudden shifts in economic policies, particularly in the area of foreign exchange, created uncertainty for businesses and investors, affecting decision-making and long-term planning.

4.) Corruption Fight and Investor Confidence: While the anti-corruption drive was essential, some investors and businesses felt hesitant due to perceived disruptions and uncertainties associated with the campaign.

5.) Security Issues: Nigeria experienced significant security challenges during Buhari's presidency, including the Boko Haram insurgency in the northeast, farmer-herder conflicts, and other security threats. The government initiated various measures to address these issues, but the situation remained complex

6.) Economic Policies: Buhari's administration faced economic challenges during his tenure, including falling oil prices and economic recession. His government implemented various economic policies, such as promoting agriculture and diversifying the economy. The effectiveness of these policies and their impact on the Nigerian economy were subjects of debate.

7.) Political Climate: Buhari's presidency coincided with a period of heightened political polarization in Nigeria. His leadership style and approach to governance were debated, with some arguing that his government was too authoritarian, while others saw it as necessary for tackling corruption and security challenges.

It's important to recognize that opinions on President Buhari's legacy vary widely, and the assessment of his impact on Nigeria's political, economic, and social landscape may continue to evolve as time goes on.

Overall, the success of Buhari's economic policies in Nigeria was influenced by a range of factors, including global economic conditions, domestic challenges, the effectiveness of policy implementation, and the ability to strike a balance between necessary reforms and economic stability. Views on the impact of these policies may vary based on one's perspective and assessment of the Nigerian economy during that time.

BIBLIOGRAPHY

Primary Sources

Interviews

Name	Occupation.	Age.	Place.	Date
Kari Abubakar.	Political Analyst	54	FCT	May 10, 2023.
Osita Okechuwkwu	Civil servant	51	FCT	May 12, 2023
Rose Ayo.	Trader	44	FCT	May 12, 2023

Secondary sources

Books

Buhari, Muhammadu: *The Nigerian legacy (2015-2023)*, May publishing.

Ozi-Usman, Yusuf, *"People around Nigeria's President Buhari" The eight years of Buhari's government in perspective.*

Newspapers and Magazines.

The Nation newspaper of Monday, November 19, 2018. Accessed 20/September/2023.

The Punch Newspaper of Monday November 19, 2018. Accessed 20/September/2023.

Daily sun Newspaper of Monday, November 19, 2018. Accessed 20/September/2023.

Front page Daily Trust Newspaper of Monday, November 19 2018. Accessed
20/September/2023.

This day of November 19, 2018. Accessed 20/September/2023.

Vanguard Newspaper of November 19, 2018. Accessed 20/September/2023.

Nigerian Tribune of November 19 2018, Accessed 20/September/2023.

Leadership Newspaper of December 5, 2018. Accessed 20/September/2023.

Front page of This day, January 7, 2019. Accessed 20/September/2023.

Nigerian Tribune of January 17, 2019. Accessed 20/September/2023.

Daily Sun Newspaper, Thursday January 31, 2019. Accessed 20/September/2023.

Front page of the Vanguard Newspaper, February 9, 2019.

Internet Sources

CBN in the news, Retrieved from <https://www.cbn.gov.ng>. Accessed 19/September/2023.

Olakunle Mohammed from Business day. May 10, 2023. Retrieved from <https://businessday.ng>.

Premium Times Nigeria. Retrieved from <https://www.premiumtimes.ng.com>

SaharaReporters.com.

The Cable Nigeria. Retrieved from <https://www.thecable.ng.com>.