

ActionAid Nigeria says IMF, World Bank are promoters of bad economic policies

ActionAid Nigeria has described the World Bank and International Monetary Fund (IMF) as promoters of bad economic policies on Nigerians, stressing that the two international monetary organizations have been deeply involved in Nigeria's economy for decades, pushing policies that have done far more harm than good. In a statement signed by the Country Director, ActionAid Nigeria, Andrew Mamedu, said the organization strongly disagreed with the recent statement made by the World Bank Senior Vice President and Chief Economist, Mr. Indermit Gill at the 30th Nigerian Economic Summit (NES30) in Abuja, urging the Nigerian government to sustain its current economic reforms for the next 10-15 years with no clear plans on how it will cater for the people is misguided and insulting to the millions of Nigerians living through unprecedented economic hardship. Mamedu said: "This call assumes that continuity and persistence in these policies will yield transformative results, but the evidence tells otherwise. While long-term reform is important, the strategies proposed by the World Bank seem disconnected from the immediate socio-economic realities of Nigeria, especially regarding poverty, weak institutional capacity, and structural economic deficiencies." Mamedu added that: "The 2003-2007 reforms which he claims is what Nigeria needs is agreeable in the area of debt cancellation, savings and accountability, but it's negative effect in the devaluation of naira, subsidy removal and corruption was the bane of that reform."

He lambasted that: "The World Bank and International Monetary Fund (IMF) have been deeply involved in Nigeria's economy for decades, pushing policies that have done far more harm than good. The Structural Adjustment Programme (SAP) introduced in the late 1980s remains one of the most devastating legacies of this relationship. It crippled our local industries, especially the textile sector, and opened the floodgates for Nigeria to become heavily dependent on imported goods." He explained that: "Before the SAP, Nigeria's textile industry was a vibrant hub employing hundreds of thousands of workers. However, with the IMF-driven policies forcing cuts in subsidies, import liberalization, and currency devaluation, Nigeria was pushed to shut down its own production capacity. According to the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), over 90% of textile products used in Nigeria valued at over \$4 billion are imported, primarily from countries in the Global North. These reforms, instead of fostering local economic growth, have funneled wealth out of Nigeria and into the pockets of international financial institutions and foreign economies." Mamedu added that: "These reforms lauded by the World Bank have promoted an import-dependent economy, stifling small businesses and local industries. Successive governments have failed to reverse this trend, and the current reforms, such as the fuel subsidy removal and exchange rate unification, continue to hurt small-scale businesses and everyday Nigerians. According to the National President of the Association of Small Business Owners of Nigeria (ASBON), more than 8 million small businesses has shut down within 18 months over economic hardship due to the impact of the economic policies under the administration of former President Muhammadu Buhari and the current administration of President Bola Tinubu.

"This trajectory has driven unemployment and increased

poverty levels across the country, with more Nigerians relying on imported goods to meet basic needs. Instead of empowering local entrepreneurs, these policies enrich multinational corporations and external economies, deepening Nigeria's dependence on foreign imports and exacerbating inequality." Mamedu further added that: "While the World Bank celebrates the unification of Nigeria's exchange rate as the "most effective in 20 years," it has led to severe hardship for citizens, driving inflation to a 28-year high. Additionally, the sudden removal of fuel subsidies without robust compensatory mechanisms has further eroded household incomes. These reforms disproportionately affect Nigeria's poorest, pushing the country deeper into poverty while global financial institutions and foreign investors reap the benefits of Nigeria's open economy."

He said: "*We acknowledge the World Bank's emphasis on the need for safety nets to mitigate the effects of these reforms. ActionAid Nigeria supports the call for investments in non-oil sectors, job creation, and financing social safety nets through the savings from fuel subsidies. However, it is essential that these efforts are not mere tokenism. Safety nets must be effective, transparent, and sustainable, not reliant on debt-fueled international loans. It is not only unacceptable but inhumane to ask Nigerians to endure 15 more years of suffering in the name of reforms that have historically failed us. Millions of Nigerians can barely afford food, fuel, or basic services today. Asking them to wait for over a decade for "things to get better" is an affront to their dignity and a reckless gamble with the nation's future.*

"The question is, how many Nigerians will be alive till then to reap the benefits of this reforms, what does the future holds for our children who are currently feeling the brunt of the hardship, will there still be hope for them in 15 years' time?" He said: "ActionAid Nigeria emphasizes that Nigerians cannot and will not wait for 15 years for economic policies that will continually inflict hardship. The people of this nation deserve urgent action, not promises of long-term recovery. Every passing day under the weight of these reforms pushes more citizens into extreme poverty and despair. "We demand that the government rethinks its blind allegiance to the World Bank's economic blueprint and starts prioritizing the welfare of its people. The government must reject the idea that growth must come at the expense of human lives and begin to invest meaningfully in local industries, small businesses, and sustainable economic models that empower Nigerians rather than enslave them. "The government must impartially fight one of the root causes of this hardship which is corruption starting with the NNPC as they are at the middle of corruption and responsible for mismanagement of funds from recent reports of the \$300 million 'bailout funds collected from the Federal Government. Amongst all, accountability to the people must take precedence and reforms must be people centered."