

THE NEW WORLD BANK PRESIDENT: NIGERIAN SENATE (9th ASSEMBLY) VERSUS THE GLOBAL POLITICAL ECONOMY

BY:

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I have read several publications about the new World Bank President, David Malpass who previously served as Under Secretary of the Treasury for International Affairs under Donald Trump. From the publications I studied; ranging from New York Times, to Huffington Post, U.S Department of Treasury Website, World Bank Group Website, The Japan Times, Center for Global Development, Overseas Development Institute (ODI), Chatham House etc, i realize how important, world leaders and policy makers are keen about the ideological stand point, leadership philosophy and policy footprint of Mr. Malpass. The World Bank is idealistically one of the pillars of the world economy, thus it must be watched with an Argus-eye.

Kaushik Basu, Nonresident fellow, Global Economy at Brookings Institute, argued that, Malpass is conservative, and the World Bank is not. Basu also faulted Malpass skepticism on multilateral institution. The World Bank he said, was a standard-bearer of an economic orthodoxy reflected in the post-Cold War policy cocktail of privatization and deregulation known as the Washington Consensus.

Now, by the nomination of Malpass who is conservative in character, it means the World Bank, the IMF, and economists have moved away from the Washington Consensus pattern. It is now widely recognized that devising effective economic policies demands sensitivity to the local culture and mindset, and that beyond reducing poverty, efforts must be made to curb inequality.

To work effectively with the World Bank, IMF, United Nations and their specialized agencies, the first criteria for success is to have leaders that understand the ideological direction of these entities. If our leaders are not sensitive to those indices, by trying to fit into the system, we will later create a vicious circle of policy crisis, national economic stagnation, lack of integration strategies into the global economy and repetitive political frustrations.

The ideological focus or orientation of a leader, we all believe will certainly define the political and socio-economic direction or purpose of his nation, organization or sector. When a leader is a liberal or conservative, we expect to see a recline towards what he chooses to be. If the psyche fails so also will the body. Gandhi, Mao, Gorbachev, Mandela, Khomeini, Hitler, Marx and more recently, Theresa May all in one way or another played influential ideological roles in their respective nations.

The 9th Assembly is a new born baby in our political life. It emanates from the rough, tough and exciting 2019 General Elections across the country. The outgoing 8th Assembly was occupied with so many national economic and political challenges and many are hoping to see a more purposeful parliament in the 9th Assembly. Progressively, there should be productive debates across various Senatorial Constituencies with the Senators-elect on important development matters. Political Campaigns in most cases do not translate to political development and purposeful representation.

For example, the recent development in the World Bank should call for a round table discussion among prospective legislative aides, policy advisers to the Senators-elect on making sure that the interest of the nation is considered on Africa's new roadmap for development partnership with the World Bank. The 9th Assembly is coming at a time when the World Bank is also undergoing a DNA reshuffle. Our Parliamentarians are not expected to go into the parliament with an old view of the World Bank, things have changed. Taking the above into account will shape the success of our international economic relations.

Both the people and the new elected officers to the parliament (Federal and State) are more occupied with the politics and power play of who becomes the Senate President, and Speakers (Federal and States House of Assembly).

His Royal Highness Mohammadu Sanusi II, during one of his seminar lectures, " In Search of A Growth Model" made an interesting analysis with case studies on why some economic behaviors we exhibit are the cause of our national economic tragedies at some certain points.

For example, according to Sanusi, should you take dollars, for every \$1 billion taken from the Federation Account and sold by the CBN at N200 to the dollar, the states were losing N100 billion that could have gone into salaries, agriculture, healthcare. Yet, the states were going to borrow from the same government on a bailout when the government was selling dollars cheaply to a small group of people. What kind of economy are we running? Who is advising the government.

In another pathetic scenario, Sanusi said, you are a manufacturer, you are able to secure \$10 million from the Central Bank to import raw materials and produce

goods, you spend N2 billion to get \$10 million, and somebody says to you: “Listen, I will pay you N3 billion for this \$10 million, so that you make a profit of 50 per cent for just doing nothing. Just buy the dollars and sell.”

Your option is to buy raw materials, establish a letter of credit, import raw materials, maintain generators, buy diesel, pay labour, produce your goods, take the risk you may not sell at a profit, transport it, or to make a profit margin of 10 per cent over a 120 term period, what would be your choice?

Would you import and manufacture? You have an automatic guaranteed 50 per cent return immediately for no labour. With this every manufacturer abandoned production and started looking for FOREX. So, what happens to production and employment? What do you end up with? A recession. And why are we surprised we are having a recession? We created it.

It is important to have the right and competent people as principal Officers. But, the essence of a purposeful parliament should not be confined to the politics and power play of who gets what, when and how during committees leadership planning. Our problems are becoming more complex, therefore, we need to be vast and adopt efficient approaches to solving our problems.

Democracy should be a signature for development and peace.