

Regimes and macroeconomic variables in Nigeria: An analysis of Yar'Adua-Jonathan and Buhari's regimes

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ABSTRACT

This study compares Nigeria's macroeconomic performance under Presidents Yar' Adua-Jonathan (2007-2015) and Muhammadu Buhari (2015-2023). The study adopts a descriptive method and is guided by political economy, macroeconomic stabilization, and institutional theories. The study reveals that the Yar' Adua-Jonathan regime adopted expansionary fiscal policies and subsidy programs, whereas the Buhari regime implemented a budget-conscious approach due to different political inspirations and public choice dynamics. The policies adopted by both regimes differently impacted the GDP, inflation rates, unemployment levels, and debt management. The administration of Yar' Adua-Jonathan achieved an average GDP growth rate of 6.0%, a 10.8% inflation rate, an unemployment rate of 3.82%, an infant mortality rate of 82.8/1000, and an average debt service of \$1.5 billion between 2008 and 2015. Contrarily, the Buhari administration recorded an average GDP growth rate of 1.4%, an inflation rate of 16.2%, an unemployment rate of 4.7%, a debt service of \$6.2 billion, and an infant mortality rate of 73.7/1000 between 2016 and 2023. Buhari's leadership approach contributed to policy failures that hampered economic growth, whereas the approach of the Yar' Adua-Jonathan administration contributed to healthier economic growth recorded between 2007 and 2015. Therefore, the study recommends that the government's reforms should focus on expansionary fiscal policies to boost economic growth and de-emphasize monetary and foreign exchange restrictions.

Introduction

Leadership across the world is a trust that requires the officeholder to act in the best interest of their constituents (Yusuf, et al; 2022). This contractual agreement, as suggested by Thomas Hobbes, is renewed periodically through elections in democratic states. The leaders' actions are guided during this process and their continued stay or return to office depends on their effectiveness in improving the macro-economy of the state.

The progressive goals sought by the populace are captured in the government's ability to effectively manage macroeconomic indicators, such as poverty, unemployment, and GDP growth. Central to social demand is the necessity for progress that is both measurable and valuable to citizens as the primary stakeholders. Therefore, it is important for the leadership entrusted with the responsibility of forming a government through the political process to align with the goals of the citizens, as defined by the progress and core values of the society. In striving to achieve these values and progressive goals, resources must be mobilized and used to achieve the objectives that have been agreed upon through the political process and codified in the state's constitution.

Kretzschmar (2002) and the World Bank (2003) have identified ineffective leadership as one of the major challenges facing developing countries worldwide, and Nigeria is no exception. Leadership in these countries often leans towards Marxist principles entrenched in Leninist ideology (Villers & Hirtle, 1997). Authoritarian proclivity is often expressed in traditional and political hierarchies that forbid tolerance of dissent, generating political instability and invariably instigating economic crises. The World Bank reported in 2003 that the population of developed countries increased by only 0.7% annually, while the population of developing countries increased by 2%. Existing studies have observed that a significant part of the underdeveloped nations' population struggles with poverty, unemployment, and disappointment largely because of perceived inequality in the world's social and economic order (Dederling, 2002; World Bank, 2003; United Nations, 2015), where poor leadership quality is often alleged as the culprit. The literature emphasizes that to achieve global balance, significant reforms in governance and policy frameworks within developing nations are necessary. Nevertheless, no meaningful change is likely to occur without a deeper understanding of existing leadership structures, especially in developing nations, of which Nigeria is one. Such understanding is needed for getting leadership that has the intellectual capacity required to provide the necessary leadership guide for macroeconomic improvement

Different scholars have studied different aspects of Nigeria's macroeconomy. For instance, Ocholi and Isah (2024) examined the impact of debt burden on Nigeria's sustainable development, focusing on the period between 2015 and 2021. However, this study was confined to a single regime of President Muhammadu Buhari and focused solely on the relationship between debt burden and sustainable development. In addition, Ajayi and Oke (2012) interrogated the effects of external debt on Nigeria's economic growth and development; however, they did not pay much attention to a comparative study of how the leadership styles of Presidents Yar-Adua-Jonathan (2007 – 2015) and Buhari (2015 – 2023) have impacted the macroeconomic performance of Nigeria and its effects on the citizens. Additionally, Asue and Ikyator (2023) conducted their study on external debt pass-through to inflation in Nigeria using a structural vector autoregressive (SVAR) model. They also focused only on one macroeconomic indicator.

Many studies have assessed different aspects of Nigeria's macroeconomy. For instance, Ajayi and Oke (2012) investigated the effects of external debt burdens on the nation's economic growth and development; however, they paid little or no attention to a detailed comparative study on how the leadership styles of Presidents Yar' Adua-Jonathan (2007 – 2015) and Muhammadu Buhari (2015 – 2023) influenced Nigeria's macroeconomic performance and its multiplier effects on Nigerians. Moreover, Ocholi and Isah (2024) conducted a study on the impact of debt burdens on Nigeria's sustainable development from 2015 to 2021; in addition, this study was limited to a single administration under President Buhari. The study also narrowed its focus to the relationship between debt burdens and sustainable development in Nigeria. Asue and Ikyator (2023) assessed the external debt pass-through to inflation in Nigeria using annual data from 1981 to 2020 and a structural vector autoregressive (SVAR) model, yet this study addressed only one macroeconomic indicator. This gap in the literature highlights the necessity for a comprehensive comparative evaluation of Nigeria's macroeconomic performance under the administrations of Presidents Yar' Adua-Jonathan and Muhammadu Buhari, as well as the associated social impacts on Nigerians.

Existing literature such as Diamond, 1988; Badru & Pade, 1998; Kieh, 2000; Erubami & Young, 2003; and U.S. Department of State, 2005, has regularly blamed ineffective leadership as the major culprit in the development crisis in Nigeria. The major research question for this study focuses on the impact of leadership on Nigeria's macroeconomy and the social welfare of Nigerians between 2007 and 2023: How have the macroeconomic policies of Presidents Yar'Adua-Jonathan (2007-2015) and Muhammadu Buhari (2015-2023) shaped economic outcomes and social welfare in Nigeria during their respective

administrations? To interrogate that question, this article is divided into six parts, including this introduction. The next section, on material and methods, is section two. The fourth section presents a comparative analysis of Nigeria's macroeconomic policies of the regimes Yar'Adua-Jonathan and Muhammadu Buhari, 2007 – 2023. The conclusion is the fifth section.

Theoretical review of the political economy, institutional and macroeconomic stabilization theories and Nigeria's macro economies

Political economy theory, institutional theory, and macroeconomic stabilization theory form the theoretical foundation for this study. The major proponents of political economy theory, John Maynard Keynes, Stuart Mill, David Ricardo, and Adam Smith, believe that political systems, along with leadership approaches and policy decisions, create the economic outcomes of nations (North, 1990; Acemoglu & Robinson, 2012). Countries make economic decisions based on their political systems, which set the rules for resource distribution and economic decision-making. The proponents of political economy theory argue that different governance approaches and institutional priorities and fiscal discipline levels engender diverse macroeconomic results, even when a country is under democratic rule. Therefore, political economy theory is relevant for this study in evaluating the macroeconomy of two Nigerian presidential periods under democratic rule from 2007 to 2015 and 2015 to 2023, which operated under different political economic systems and their impact on their economic outcomes.

This study also draws from institutional theory, advanced by scholars such as John Meyer, Brian Rowan, Paul DiMaggio and Walter Powell, which posits that robust institutions with effective governance frameworks yield better macroeconomic outcomes. *North (1991) and Rodrik, Subramanian, and Trebbi (2004) argue that strong institutions, coupled with the implementation of fiscal policies and genuine anti-corruption wars, sustain investors' confidence. Institutional theorists further suggest that there are linkages between the enforcement of rules, leadership actions, policy credibility, bureaucratic performance, and economic stability. They further maintain that external factors, such as socio-cultural and political pressures, largely shape institutional structures, practices, and behaviors, not by rational, efficiency, or economic forces.* Institutions have to abide by the established norms, rules, and rationalized traditions within their respective fields to maintain legitimacy.

This theory is relevant for evaluating Nigeria's macroeconomy under the administrations of Yar'Adua and Jonathan (2007–2015) and Buhari (2015–2023). The theory suggests that economic outcomes are influenced by the quality, strength, and level of corruption in both formal and informal institutions, not solely by technical policy measures. The determinants of economic performance are the enforcement of the rule of law, regulatory quality, and the effectiveness of the government, rather than labor and capital inputs alone. Hence, the theory explains how different levels of rule implementation and bureaucratic performance, policy credibility between different regimes, affect the linkages between economic stability and leadership actions.

Macroeconomic stabilization theory, primarily drawn from Keynesian, Monetarist, and New Classical schools of thought, focuses on using policies to maintain steady growth, stable prices, and high employment. This study draws from this theory to argue that economic stability requires the government's consistent fiscal and monetary policies. The theory suggests that economic stability is maintained through the government's ability to control inflation and employment levels and stabilize aggregate demand (Keynes, 1936). The success of such interventions is a function of the government's consistent maintenance of

policies and responses to economic shocks. The different economic results engendered under presidential periods explain how different policy combinations used by each administration affected macroeconomic performance through their stabilization methods.

While the major proponents of Public Choice theory, James M. Buchanan, Gordon Tullock, Mancur Olsen etc., posits that individuals are motivated and driven by self-interest. The theory position departs from the traditional, idealized notion of government officials being purely benevolent and altruistic. Public choice theory is employed to complement the political economy, institutional, and macroeconomic stabilization theories in this study to explain how political leaders and public officials pursue personal aggrandizement, which influences or impacts their decision-making processes for policy implementation (Buchanan & Tullock, 1962). Public choice theory explains the reasons for Nigeria's ongoing fiscal challenges because political patronage networks control how the government handles its macroeconomic responsibilities. The administration of Yar' Adua-Jonathan employed expansionary fiscal policies and subsidy programs, while Buhari's regime (2015-2023) employed a budget-conscious strategy largely because of differing drives and public choice dynamics (Opone & Omosor, 2024), and this impacted inflation rates, unemployment levels, and debt management within the period.

This study anchors its theoretical paradigm on the belief that the country's economic performance requires an explanation of the political economy and institutional paradigms that shape policy formulation and implementation. The blending of political economy, institutional, public choice, and macroeconomic stabilization theories goes a long way in explaining how leadership decisions, institutional strength, and policy coordination affect Nigeria's economic performance across two different regimes between 2007 and 2023.

Nigeria's Post-Independence Political Leadership

The hope of many Nigerians that Nigeria's independence in 1960 would bring about political and economic self-sufficiency has not been achieved many years after independence, due to constant political instability and social disorder (Udogu, 1990; Agbese, 2000). The failure to actualize this hope was largely linked to a lack of effective leadership, which has contributed to widespread disillusionment and a sense of purposelessness (Hollander, 1984). Most of Nigeria's post-independence leaders have failed to demonstrate the necessary leadership qualities required to engender socioeconomic development. This has promoted a culture of intolerance, corruption, and human rights abuses in the country (Ekeocha, 1989).

Unfortunately, authoritarian leadership experienced under military regimes, especially during the military regime of Gen. Sani Abacha, 1993-1998, which overthrew and dissolved the democratic institutions negatively impacted Nigeria's macroeconomic development (Metz, 1991; Library of Congress, 2006). Gen. Sani Abacha retained power through intimidation, imprisonment, execution of dissenters, and suppression of the press. Abacha's regime was known for violations of human rights; based on this, Nigeria was suspended from the Commonwealth of Nations following the execution of the activist Ken Saro-Wiwa (Nigeria, 2005). Abacha was ranked the most corrupt Nigerian leader in recent times, as he was alleged to have stashed about \$4 billion in foreign accounts (Transparency International, 2004). Arising from the above scenario, there is a need for a change of Nigerian leadership to the leadership that can bring about transformation in the country, as the citizens' desire leaders who have competence, integrity, and empathy for the people and move the country towards economic growth and prosperity (Udogu, 1992), especially now that Nigeria has returned to democracy.

Many Nigerians hoped that Nigeria would soon become a global economic giant after independence; however, 65 years later, Nigeria remains a crippled giant (Osaghae, 1988). Nigeria's challenges have been

linked to leadership failure. Rather than leading the country on the path of concrete developments, political leaders have amassed the nation's resources for personal gain. The former chairman of the Economic and Financial Crimes Commission (EFCC), Ribadu, estimated that between independence and 1999, Nigeria lost more than US\$380 billion to corruption (Ribadu, 2009; Global Financial Integrity, 2017; Ajah & Nweke, 2017). Corruption has assumed a high proportion in Nigeria since 1999, when the country returned to civil rule, and this has been linked to leadership failure. Most of the political leaders Nigeria has had since 1999 have been accused of high-level corruption and ineptitude that have shaped the nation's political and economic trajectory (Ribadu, 2009; Adebani and Obadare, 2012).

The leadership styles displayed by Nigerian political leaders can be categorized into dictatorial and transactional leadership. Whetstone (2002) argues that authoritarian leadership prioritizes higher-order needs, whereas transactional leadership focuses on lower-order needs. Since Nigeria's independence in 1960, the country has experienced a mixture of dictatorial, transformational, and transactional leaders. Against this backdrop, the existing literature suggests a shift in Nigeria's leadership styles towards transformational leadership, which prioritizes greater empowerment and ethical standards for citizens (Connor, 2004).

Methods

This study used a descriptive research design. The data were gathered from secondary sources only. Hence, secondary data, including academic journals, textbooks, newspapers, and data from the International Monetary Fund, World Bank, and Nigeria's online database, were utilized to address the research objectives. Furthermore, descriptive statistical tools such as percentages and tables were employed to effectively illustrate and quantitatively present the collected data.

The data collected were comprehensively and comparatively analyzed using a longitudinal historical review method. The repetitive issues found by content analysis, such as GDP, inflation rates, and external debts, were thematically analyzed. Comparative analysis was then used to compare the impact of leadership on economic outputs to reveal how the leadership styles of two different Nigerian presidents produced different macroeconomic outputs. This two-pronged approach is necessary to establish a relationship between leadership styles and their implications for macroeconomic development and its effects on Nigerians' social welfare under the respective regimes.

Results and Discussion

The key macroeconomic indicators used in this study include GDP, HDI, inflation rate, unemployment rate, life expectancy, infant mortality rate, and external debt. These indicators were adopted to analyze the two democratic administrations in Nigeria under Yar' Adua–Jonathan (2007–2015) and Buhari (2015–2023). The two democratic regimes worked under different political economic systems due to differences in their leadership styles and institutional focus, as well as external market circumstances. The Yar' Adua–Jonathan administration attempted to reform the oil and power sectors by implementing expansionary monetary policies to enhance economic growth and development, whereas the Muhammadu Buhari administration focused on an anticorruption war. The administration implemented strict fiscal and restrictive policies, as well as adopting trade protectionist measures. The different leadership styles of the two administrations engendered different macroeconomic outcomes due to the different macroeconomic policies implemented. Table 1 highlights Nigeria's GDP under the two regimes.

Table 1: Nigeria's GDP: 2007 - 2023

Yar'Adua-Jonathan's regime: 2008 – 2015		GDP	Buhari regime's 2016 – 2023		GDP
Year	Annual %		Year	Annual %	
2008	6.764473		2016	-1.61687	
2009	8.036925		2017	0.805887	
2010	8.005656		2018	1.922757	
2011	5.307924		2019	2.208429	
2012	4.230061		2020	-1.79425	
2013	6.671335		2021	3.647187	
2014	6.309719		2022	3.251681	
2015	2.652693		2023	2.860215	

Source: WDI 2024

Table 1 demonstrates a remarkably high GDP under the Yar' Adua–Jonathan administration. The GDP fluctuation ranged between 8.0% and 2.7%, with an average of 6.0% within the life period of the regime. The high GDP recorded within this period indicates a healthy economy and a high standard of living for citizens. Likewise, the moderate inflation indicates a positive trend. The inflation rate appreciated from 13.7% recorded in 2010 to 8% in 2014. Table 2 presents the details of the time series inflation rates from 2008 to 2023. The downward trajectory trend demonstrates a steady improvement in the standard of living in Nigeria from 2008 to 2015. The trend shows a positive impact of the government's expansionary fiscal policies on economic growth. Despite the fluctuation in GDP growth, the country maintained relatively high GDP levels during the administration.

Table 2: Nigeria's Average oil prices: 2008 - 2023

Yar'Adua-Jonathan's regime: 2008 – 2015 Average annual oil prices \$US		Buhari's regime: 2016 - 2023 Average annual oil prices \$US	
Year		Year	
2008	96.99	2016	43.67
2009	61.51	2017	54.25
2010	79.47	2018	71.34
2011	111.26	2019	64.30
2012	111.63	2020	41.96
2013	108.56	2021	70.86
2014	98.97	2022	100.93
2015	52.32	2023	82.49

Source: WDI 2024

The administration of Yar'Adua-Jonathan recorded a GDP growth of 6.59% in 2007. The GDP consistently increased from 6.76% in 2008 to 8.03% in 2009. The GDP growth plunged to 2.65% in 2015, the year that marked the end of the administration of Yar'Adua-Jonathan and the beginning of the Buhari administration. This reduction in the GDP may be attributed to volatility in global oil prices. Table 1 presents the time-series data on Nigeria's economic growth from 2008 to 2023.

Economic growth decreased from 6.3% to 2.6% in 2015. In December 2015, the global oil price fell to \$40 per barrel. The Buhari administration failed to take urgent actions to address economic challenges.

The situation was compounded by the late appointment of ministers and other key cabinet members who could have assisted in addressing the economic challenges. Although the N633 billion in capital budgeted by the Jonathan administration was inadequate to stimulate the ailing economy, the Buhari administration's inability to appoint a minister for the first six months of his administration worsened the situation. Regrettably, the regime suffered two recessions between 2016 and 2020.

Global oil prices fell between 2015 and 2023, as indicated in Table 2, adversely impacting Nigeria's growth and social welfare during this period because the country's economy largely depends on oil. According to the Budget Office, by the first six months of 2016, the government had only spent N159bn on capital expenditure, and by the second quarter of 2016, Nigeria's macroeconomy had slipped into recession due to an ineffective approach to handling economic challenges. The highest GDP growth during this period was 3.64% in 2021, with an average of 1.4% between 2016 and 2023. Table 1 graphically presents Nigeria's GDP growth between 2008 and 2023, showing that Nigerians fared better under the Yar' Adua–Jonathan regime (2007–2015). More Nigerians slipped into poverty under Buhari's regime, as Nigeria was ranked as the global headquarters of poverty in 2018 by the World Economic Forum and the World Poverty Clock (Vanguard, September 2, 2018).

Owing to rising inflation, the Yar' Adua–Jonathan administration raised the CRR from 8% in 2011 to 12% in 2012. These measures tightened the money supply and drove inflation back down to a single digit by 2013, at 8.5%. In 2014, the CBN continued to maintain tight monetary policies to ensure that an increase in government spending resulting from the 2015 general elections did not increase the inflation rate. The MPR was increased from 12% to 13% in 2014, while the CRR on private deposits was increased from 15% to 20%, and the CRR on public deposits was increased from 50% to 75%. This ensured that inflation remained at a single digit (9%) in the election year of 2015, in spite of the typical increase in money circulation in election years. See Table 3 for details.

Table 3: Nigeria's Inflation Rates: 2008 - 2023

Yar'Adua-Jonathan regime 2008 – 2015			Buhari regime 2016 - 2023		
Year	Annual %	Change, %	Year	Annual %	Change, %
2008	11.6	114.42	2016	15.7	74.21
2009	12.5	8.25	2017	16.5	5.14
2010	13.7	9.62	2018	12.1	-26.6
2011	10.8	-21.23	2019	11.4	-5.8
2012	12.2	12.93	2020	13.2	15.8
2013	8.5	-30.51	2021	17.0	28.8
2014	8.0	-5.26	2022	19.0	11.8
2015	9.0	11.95	2023	25.0	31.6

Source: WDI 2024

Further reinforcing these monetary policy measures, the global economic crisis of 2008 saw a massive return of Nigerians from the diaspora. Many of these highly skilled Nigerians were returning to the country for the first time after the Civil War or the SAP era, and their returns ushered in a period of increased productivity in the country's economy and rising middle-class consumption. They provided the impetus that enabled the economy, after being rebased, to become the largest economy in Africa.

However, two policy choices by the regime hindered the country's future economic prosperity. The first policy choice was fuel and electricity subsidies. The government's attempt to remove these subsidies

led to serious protests, code-named “Occupy Nigeria,” which persuaded the government to abandon the subsidy; the second policy choice was the government’s determination to defend the Naira. This policy choice gave a false impression about the strength of the naira and did not match the actual productivity of the nation’s economy.

Buhari’s victory over incumbent President Jonathan marked the first time in the country’s political history that an incumbent lost a general election. His return to power raised the hopes of the masses. However, he took over during global oil price fluctuations. Cabinet formation delays also worsened national economic uncertainty. Two consecutive recessions under his regime reduced economic growth. To address this, the government expanded borrowing to pre-debt forgiveness levels. It ignored fiscal safeguards set by the Obasanjo government in the Fiscal Responsibility Act. By 2021, debt servicing had exceeded 90% of the federal government’s revenues (Olawoyin, 2021). Table 6 presents Nigeria’s external debts from 2008 to 2023. Border closures in 2019, high import tariffs, and foreign exchange restrictions for key imports stifled supply (Yakubu, 2024), while demand continued to soar.

Under the Buhari administration, the government continued to retain fuel subsidies, which consumed the greater part of the government’s revenues, increasing more than tenfold annually. The dual exchange rate regime compelled the Central Bank to maintain official control through open market operations, which gave rise to the growth of a parallel market where hard currencies were traded at 30% to 70% higher at various times over the years, generating a class of “instant millionaires.” These factors have contributed to persistent double-digit inflation under the Buhari administration, while purchasing power has declined by more than half, significantly reducing the size of the middle class. Furthermore, these policies have undermined most of the institutional safeguards established after the return to democracy to promote responsible fiscal and monetary policies and control inflation. Inflation rates increased from a single digit of 9% in 2015 when Buhari was sworn in to 25% in 2023 when he left office. See Table 3 for details. Moreover, the Buhari administration did not introduce new institutional frameworks to improve existing structures.

Table 4: Nigeria’s Human Development Index: 2007 - 2023

Yar'Adua – Jonathan's regime 2008 – 2015			Buhari's regime 2016 - 2023		
Year	Value	Ranking	Year	Value	Ranking
2008	0.482	160 ⁰	2016	0.526	163 ⁰
2009	0.486	163 ⁰	2017	0.528	163 ⁰
2010	0.488	163 ⁰	2018	0.530	163 ⁰
2011	0.494	165 ⁰	2019	0.537	162 ⁰
2012	0.499	165 ⁰	2020	0.539	162 ⁰
2013	0.504	163 ⁰	2021	0.542	162 ⁰
2014	0.513	163 ⁰	2022	0.548	161 ⁰
2015	0.520	163 ⁰	2023	0.560	NA

Source: WDI 2024

The human development index (HDI) measures the overall development of human resources in a country. It assesses a country’s average achievements in health, knowledge, and standard of living. The HDI provides a summary of human development by combining indicators for a long and healthy life, access to education, and a decent standard of living. These are merged into a single index with a composite score between 0 and 1. The HDI may also be used to determine government policy priorities. The closer a

country's HDI is to 1, the greater its human development. In this study, the HDI shows how each regime considered the welfare and socioeconomic development of citizens between 2007 and 2023. Nigeria's HDI during this period was generally low. Table 4 shows that Nigeria's HDI was 0.47 in 2007 at the start of the Yar' Adua–Jonathan administration and was ranked 157⁰. It gradually increased to 0.52 by the end of that administration in 2015 and was ranked 163⁰. Under Buhari's regime, Nigeria's HDI continued to improve slightly. The HDI was 0.52 at the beginning of the Buhari administration in 2015 and appreciated to 0.56 in 2023. The regime recorded an average HDI of 0.538 compared to the average HDI of 0.498 recorded between 2008 and 2015 under Yar' Adua–Jonathan. This data shows that government policy gave little priority to human development under Buhari compared to under the Yar' Adua–Jonathan regime. The average HDI was 0.498 under Yar' Adua–Jonathan and 0.538 under Buhari. However, the level of poverty in Nigeria continued to be on the rise, and Nigeria was ranked the headquarters of global poverty in 2018 (Damilola, 2019). See Table 5 for details.

Nigeria's Unemployment Rates: 2007 - 2023

Unemployment rate is one of the indices that determine the poverty level in a country. Table 5 presents the time series of Nigeria's unemployment rates between 2008 and 2023. The administration Yar' Adua–Jonathan strove to transform the oil and power sectors through reforms while adopting expansionary fiscal policies to enhance economic growth and create employment opportunities. Conversely, the Buhari administration focused more on the anti-corruption war while implementing monetary policy restrictions and trade protectionist measures, which indirectly pushed many people below the poverty line.

Table 5: Nigeria's unemployment, total (% of labor force): 2007 - 2023

Yar'Adua – Jonathan's regime 2008 – 2015		Buhari's regime 2016 – 2023	
Year	Annual %	Year	Annual %
2008	3.771	2016	4.498
2009	3.751	2017	4.826
2010	3.739	2018	5.065
2011	3.77	2019	5.206
2012	3.76	2020	5.712
2013	3.711	2021	5.393
2014	3.903	2022	3.827
2015	4.137	2023	3.074

Source: WDI 2024

Table 5 presents Nigeria's unemployment rates from 2008 to 2023. The country's unemployment rate was generally high during this period. However, Nigeria's unemployment rate in 2007 was low at 3.76% and increased gradually to 4.13% at the end of the Yar' Adua–Jonathan regime in 2015. The unemployment rates between 2008 and 2015 averaged 3.82%. This indicates that many Nigerians were unemployed during this period. However, the country's unemployment rate peaked under Buhari's regime at 5.71% in 2020, although it was later reduced to 3.07% in 2023. The unemployment rate under the regime averaged 4.70%, indicating that the unemployment rate was higher under Buhari's regime

than under the Yar' Adua–Jonathan regime, which recorded an average unemployment rate of 3.82%. Unemployment remained high, reaching an all-time high, with many people entering poverty under Buhari's regime (Obadare, 2019).

Considering the extravagant spending of Buhari's government on his entourage overseas travel alone, Vanguard (2018) described Buhari's leadership as a lid that prevented growth; Buhari usually had more politicians than technocrats in his entourage abroad (Vanguard, September 2, 2018), thereby leading to the wastage of rare public resources. Various studies have suggested that resource wastage and corruption either directly or indirectly accounted for high poverty rates in the country (Vanguard, September 2, 2018; Damilola, 2019). This assertion was also supported by Transparency International, which ranked Nigeria among the most corrupt countries in the world within the period under study (Transparency International, 2007–2023); see Table 9 for details. As Nigeria is ranked very high among the most corrupt countries, there is a proportionate decline in the Human Development Index released every year by the United Nations Development Program (UNDP). This indicates that as the resources meant for human development are being siphoned away, Nigerians sink into a deeper level of poverty within the period under review. The report by the Brookings Institution described Nigeria as “the poverty capital of the world” in 2018. Their findings were based on data drawn from the World Poverty Clock. There have been numerous allegations of corruption against some of the poverty eradication program schemes created in the country across regimes. For instance, during the Yar'Adua-Jonatha regime, the Senate Committee on Public Affairs uncovered N2.4bn fraud in the National Poverty Eradication Programs (NAPEP). The alleged money was meant for the purchase of tricycles for the empowerment of the poor under the program. By 2008, only 500 out of 4,500 tricycles were bought, although all the funds for the project were released (Damilola, 2019).

Eight years after the establishment of the agency, it could not effectively impact the lives of the less privileged, despite the huge resources committed through appropriation and MDG funds (Damilola, 2019).

Nigeria's debt service: 2007 – 2023

In development literature, the 1950s and 1960s are often referred to as the golden years for developing nations, largely because the economic growth of these countries was tied to internally generated revenue (Ajayi & Oke, 2012). Developing nations, often referred to as LDCs, built their investments around their internal resources with little reliance on external resources, in contrast to the situation in LDCs today, and in Nigeria in particular, where most of its development projects are tied to foreign loans, which has created a greater burden on the country's economy.

Soludo (2003) argues that nations borrow to boost economic growth and reduce poverty, as well as prevent macroeconomic instability, policies that distort economic incentives, or sizeable adverse shocks. Consequently, growth is likely to increase and allow for timely debt payments. When this cycle is sustained over time, economic growth will positively impact per capita income, which is essential for reducing poverty. However, this assertion has not been the case in Nigeria, as inflation and unemployment continue to soar as a result of the burden of soaring external debts. Over the years, a sizeable portion of the nation's hard-earned revenues (foreign earnings) has been expended on debt servicing, which has caused economic dislocations. Table 6 presents a time series of Nigeria's external debt burden.

Table 6 Nigeria's debt service: 2007 – 2023

Yar'Adua-Jonathan's regime 2008 – 2015		Buhari regime's 2016 – 2023	
Year	\$US	Year	\$US
2008	809,361,465.7	2016	3,798,143,560
2009	870,613,385.3	2017	3,646,725,529
2010	1,388,972,679	2018	6,645,135,558
2011	649,601,678.4	2019	7,169,878,272
2012	1,568,787,020	2020	6,381,874,025
2013	1,812,922,487	2021	7,917,428,562
2014	3257,346,404	2022	7,487,656,866
2015	1,773,156,787	2023	N/A

Source: WDI 2024

The trajectory of Nigeria's debt has changed over time. The government's borrowing increased by 658% between 1999 and 2021 (James, 2025). The Obasanjo regime met \$28bn external debt and left \$2bn dollar after debt buyback of \$18bn owed the London Paris club. Nigeria's external debt burden gradually decreased from \$ 2 billion at the inception of the Yar'Adua-Jonathan regime in 2007, to one billion, three hundred and twenty-eight million, one hundred and thirty-five thousand, and five hundred and fifty-one dollars (\$1,328,135,551) in 2010. It initially got reduced between 2008 and 2009 and later increased to one billion, seven hundred and seventy-three million, one hundred and fifty-six thousand, seven hundred and eighty-seven dollars (\$1,773,156,787) at the end of the regime in 2015. This trend has put significant pressure on the nation's resources and reduced government expenditure on citizens' welfare programs. Table 6 provides a time series of Nigeria's external debt profile between 2008 and 2023. High debt service payments reduced the funds available for development projects and productive expansion, while a depreciating exchange rate, rising inflation, and volatility in global oil prices further strained the economy. The regime's fiscal policies and reliance on foreign borrowing, without efficient utilization, contributed to this burden.

Table 7: Life expectancy at birth, total (year), 2008 - 2023

Yar'Adua-Jonathan's regime 2008 – 2015		Buhari's regime 2016 – 2023	
Year		Year	
2008	50.225	2016	52.043
2009	50.712	2017	52.305
2010	50.945	2018	52.554
2011	51.357	2019	52.91
2012	51.497	2020	52.887
2013	51.707	2021	52.676
2014	51.791	2022	53.633
2015	51.841	2023	54.46

Source: WDI 2024

The expansion in Nigeria's debt burden became more noticeable when the country's external debt increased by more than 291% under the Buhari regime. The Buhari regime inherited \$1.7bn in external debt in 2015, but the following year, 2016, it had risen to \$3.8 billion, which slowed economic growth to -1.6% from 2.6%. The nation's debt services increased tremendously such that by 2021, Nigeria's external debt had increased to \$7.9 billion. See Table 6 for details. This, in addition to a dip in global oil prices, has serious implications for Nigeria's macroeconomy and government expenditure on social welfare. The high debt service, which reduced government expenditure on social welfare services, may have accounted for Nigeria being tagged as the headquarters of poverty in the world in 2018 (Vanguard, September 2, 2018; Damilola, 2019). During this period, Nigeria utilized approximately 90.58% of its annual total revenue for debt servicing (Punch, August 27, 2021). While Nigerians' social conditions were poor under the Yar'Adua-Jonathan regime, they were worse under the Buhari regime, under which Nigeria was tagged the headquarters of global poverty.

Between 2007 and 2023, life expectancy in Nigeria increased from approximately 50.03 years in 2007 to 54.46 years in 2023, with incremental increases observed in 2011 (51.3 years), 2015 (51.8 years), 2017 (52.3 years), and 2019 (52.9 years). A slight decline occurred in 2020, with life expectancy recorded at 52.88 years. Despite these improvements, Nigeria's life expectancy remains below the global average. Data indicate that the average life expectancy during the Buhari regime was 52.93 years, higher than the 51.11 years recorded during the Yar'Adua-Jonathan administration. This increase may be attributed to an enhanced governmental focus on healthcare.

Nigeria's mortality rates per 1,000 populations remained high between 2007 and 2023. In 2007, the rate was 89.6 per 1,000. This value gradually appreciated to 81.8 per 1,000 in 2012, and by the end of the regime in 2015, it had further appreciated to 79.2 per 1,000. Table 8 presents a visual representation of the time series of Nigeria's mortality rates during the period under review. The infant mortality rates were higher under the Yar'Adua-Jonathan regime than under the Buhari regime.

Table 8: Nigeria's infant mortality rate: 2007 – 2023

Yar'Adua-Jonathan's regime 2008 – 2015		Buhari's regime 2016 - 2023	
Year	Per 1,000	Year	Per 1,000
2008	87.5	2016	78.2
2009	85.7	2017	77
2010	84.2	2018	75.7
2011	82.9	2019	74
2012	81.8	2020	72.3
2013	80.8	2021	70.5
2014	80	2022	68.5
2015	79.2	2023	NA

Source: WDI 2024

Nigeria's infant mortality rates gradually increased under Buhari's regime from 78.2 per 1000 to 72.3 per 1000 in 2020 and later to 68.5 per 1000 in 2022. This increase indicated that the regime paid more attention to children's health than the Yar'Adua-Jonathan regime.

The Yar'Adua-Jonathan regime (2007–2015) witnessed the impact of corruption on Nigeria’s macroeconomy. During this period, a high level of corruption led to slow growth, resource depletion, institutional decay, and reduced living standards. While some anti-corruption efforts were initiated, they were largely overshadowed by high-profile scandals, a lack of political will, and ineffective enforcement of anti-corruption laws. Table 9 presents Nigeria’s CPI ranking by Transparency International between 2007 and 2023.

Table 9: Nigeria’s Transparency International Corruption Perception Index ranking 2007 – 2023

Yar'Adua-Jonathan's regime 2008 – 2015			Buhari regime's 2016 – 2023		
Year	Ranking	Score	Year	Ranking	Score
2008	121/180	2.7	2016	136/176	2.8
2009	130/180	2.5	2017	148/180	2.7
2010	134/179	2.4	2018	144/180	2.7
2011	143/183	2.4	2019	146/180	2.6
2012	139/176	2.7	2020	149/180	2.5
2013	144/175	2.5	2021	154/180	2.4
2014	136/175	2.7	2022	150/180	2.4
2015	136/167	2.6	2023	145/180	2.5

Source: TI CPI: 2003-2023

Nigeria was consistently ranked among the most corrupt nations in the world from 2007 to 2023. (Corruption Perceptions Index 2024, 2025) This situation has some impacts on Nigeria’s macroeconomy. A report on the Yar'Adua-Jonathan administration revealed that between 2010 and 2012 alone, the country lost billions of Naira to oil and gas theft (Vanguard, July 9, 2013). Approximately \$2.2 billion was withdrawn from the Excess Crude Oil Account without the approval of the National Economic Council and state governors. Foreign investors have retreated due to the high level of corruption, high “start-up” costs of doing business, and an uncertain regulatory environment. The aforementioned factors have hindered economic diversification and job creation within the period. Table 9 provides justification for this assertion.

Public resources meant for the development of education, healthcare, job creation, etc., were diverted for private use, consequently resulting in poor service delivery of public goods, which negatively impacted human capital development. The rampant corruption of that era left many Nigerians struggling, and poverty soared. Consequently, a significant number of individuals found themselves impoverished, and unemployment soared. This, in turn, exacerbated the existing insecurity that plagued the nation during that time.

Nigeria’s anti-corruption efforts have declined, as indicated in the Transparency International rating; Nigeria has declined from 136th in 2015 to 145th in 2023 (Transparency.org, 2023). See Table IX for details. The deficit recorded in revenue, induced by corrupt practices, has pushed the country to embark on significant borrowing. Mismanagement of funds and financial leakages have impeded the country’s economic growth and development (ICPC, 2025).

The impact of corruption on Nigeria’s macroeconomy was significant, and it contributed to the country’s weak economic growth, poor investment climates, fiscal instability, and increased poverty and inequality. Tables 1 and 2 present the details. Despite the anti-corruption efforts of the administration, critics have observed that the anti-corruption war has weakened over time, particularly the presidential

pardon that was granted to two ex-governors convicted of corruption (Premium Times, April 14, 2022). By hindering market efficiency and skewing policies, a high level of corruption has diverted resources from productive activities toward the personal coffers of certain individuals, thus slowing down overall economic growth and development within the period under review, especially between 2015 and 2023.

Conclusion

Using the descriptive research method and political economy, macroeconomic stabilization, public choice, and institutional theories, this study comparatively explains how different leadership styles of two different Nigerian leaders' macroeconomic policies have influenced the country's development and the social welfare of its citizens within the period under study. The study utilized political economy theory to demonstrate how the political economic system controls resource distribution and decision-making. The two different regimes of Yar' Adua–Jonathan (2007–2015) and Buhari (2015 – 2023), because of their distinct leadership approaches and institutional focus, operated different political economic systems. The Yar' Adua–Jonathan administration's macroeconomic policies focused on transforming the oil and power sectors through reforms and adopting expansionary fiscal policies to augment the economy, while the Buhari administration focused more on the war against corruption and implemented stringent monetary policies and trade protection measures. Political economy theorists have argued that differing governance approaches, coupled with institutional priorities and fiscal discipline levels, engender different macroeconomic outcomes, as was replicated in the Nigerian case.

This study also utilizes institutional theory to explain how strong institutions and good governance can bring about good macroeconomic outcomes. The implementation of stringent monetary policies, strong institutions, and a genuine anti-corruption war builds investors' confidence in a country. The Yar'Adua-Jonathan regime enjoyed stable global oil prices, while its Economic Management Team continued to execute institutional reforms, which engendered a stable policy environment. The Buhari administration was confronted by unstable oil markets, volatile foreign exchange rates, and increasing national debt, which exposed weaknesses in monetary-fiscal policy coordination between the authorities.

The findings of this study align with macroeconomic theory, suggesting that economic stability cannot be achieved unless the government implements consistent fiscal and monetary policies. Economic stability is achieved through the government's ability to maintain control over inflation and employment levels and to stabilize aggregate demand. The consistency of the regime's policies and response to economic shocks determines its success. The administration of Yar' Adua–Jonathan (2007 – 2015) achieved an annual average GDP growth of 6.0% largely because of its expansionary monetary policies and abundant and stable oil revenue during its period in office, while the Buhari administration implemented stringent fiscal restrictions and maintained firm control over foreign exchange due to declining global oil prices and global economic recession, and had an annual average GDP growth of 1.4%.

This study adopts public choice theory to explain how the pursuit of personal aggrandizement by political leaders and bureaucrats influences their decision-making and the implementation of public policies. The administration of Yar'Adu-Jonathan (2007 – 2015) implemented expansionary monetary policies and subsidy programs, while the Buhari regime adopted a more budget-conscious approach largely because of different political motivations and public choice dynamics. The policies of both regimes impacted Nigeria's macroeconomic indicators differently within the period. While the Yar'Adua-Jonathan regime achieved low unemployment and inflation rates and moderate external debt, the Buhari regime recorded high inflation and unemployment rates. Therefore, this study suggests that the government should implement reforms that focus on expansionary monetary policies to enhance economic growth and de-emphasize stringent or restricted monetary policies and foreign exchange controls.

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