(Continued from page 14)

for moratorium, the lowering of interest rate on existing debts, and longer periods of repayment.[25]

Despite all the protestation, the issue remains largely unresolved. The latest position of the Treasury Secretary Mr. James Baker was stated in Abidjan at the 24th yearly Assembly of the African Development Bank group.[26] He stated that his country was ready to ease the debt burdens of Africa's *poorest countries* by the provision of concessional interest rates in the range of options within the Paris Club of creditor nations. He urged creditor governments to consider allowing longer periods for rescheduled debt than was currently the case. For good measure, he added all the known decalogue on economic reforms which must be observed for more efficient use of the continent's resources to ensure sustained growth. The 'case by case' policy was re-confirmed that relief will be conditional on adherence to the macro economics and structural reforms as laid down in the IMF Funds policy.

The debt issue presents a scenario as in *Merchant* of *Venice*. For six thousand ducats, Shylock must have a pound of flesh, but no jot of blood. The foreign creditors demand their money in accordance with their rights as creditors and yet they know fully well that payment of the debt by third world debtor countries will lead to bankruptcy and reversal to authoritarianism in many of the countries. By all accounts, most of the third world debtor countries including Nigeria, cannot meet the debt obligation in spite of the re-scheduling and I dare say, in spite of the multi-year rescheduling now being canvassed by Nigeria. Given the present and projected level of foreign exchange earnings and oil and non-oil exports, and the need to sustain a reasonable level of growth in the economy, any attempt to settle the debt of which $5 billion is reportedly falling due by the end of the year, without further rescheduling, will result in unmitigated disaster.

In the meantime the stalemate over the resolution of the debt crisis is creating havoc also in the creditor countries. More than two million jobs have been wiped out in USA as a direct result of Third World debt. American farmers are unable to sell their produce to the Southern hemisphere and other debtor countries. According to the Federal Deposit Insurance, a government agency, there have been 95 bank failures in the US oil states last year, reportedly close to the highest level seen since the depression of 1930's.[27] At the time of writing this paper, two savings banks were being wound up, with the federal authorities having to pay the depositors their deposits.

Intimidatingly, creditors are insistent on realising their debt in so far as it is legally feasible and politically expedient. The Debt/Equity swap is a mechanism being seriously canvassed in Nigeria at seminars in recent times. It is reported that in late 1986, about 60 foreign banks exchanged a chunk of debt for a controlling stake in Mexico's biggest private manufacturing conglomerate, Grupo Alfa. According to the scheme, banks were to receive, company stock, government bonds and $920 million worth of debt which was less than 1% of the country's total debt. It is understood that a number of banks were interested in this scheme since it afforded a better return in debtor countries than would ordinarily be obtainable in U.S. Stock Market. Again, this has been criticised by scholars in that the scheme will only reduce the debt and debt service ratio only marginally, whilst their governments will become progressively irrelevant to the determination of economic policy. Nigeria is therefore faced with the greatest crisis in its history, since observers see her position as being similar to that of Mexico which is having to meet the challenge of resisting increasing control of its economy from outside, which has been brought about either directly through the subordination of all productive investment to debt servicing demands or indirectly through growing foreign investment in key sectors. In our circumstance, the debt/equity swap can only reduce the debt and debt service ratio marginally, yet it is proving so attractive to many of the creditor banks as has been pointed out because it gives better return on the investment in the third world than that on New York Stock Exchange.

Meanwhile, banks like Citicorp and Bankers Trust in keeping their options open seem fascinated by the scheme, although by the same token, provisions are being made for loan losses. On 19th May, 1987, Citicorp was reported to have announced a provision of $3 billion to its loan loss reserves which seemed to indicate an admission that some of the loans to third world debtors cannot be met. This course of action has been followed by some British banks, whilst they explore the possibility of a recovery of some of the debt. Some uninsured creditors are also reconciling themselves with the present situation in Nigeria. It is now known that some holders of promissory notes issued by our Central Bank are discounting the same at over 50% of its face value, whilst some are understood to be framing their notes as souvenirs. All the evidence point to a state of gloom on the part of our creditors in the face of the pressure being mounted by debtor countries in a concerted action. Such concerted action must be accompanied by an honest admission of debts legally owed. So far, many un-insured creditors see the renunciation of their legitimate claims as unjust and unbecoming of a nation demanding justice and equity, especially as they have all the necessary supporting documents to validate such claims. "He who seeks equity must do equity" they say. Creditors are, therefore, insisting that we should put our house in order. That is a legitimate precondition to a borrower nation seeking amelioration of its debt, even if on moral grounds, creditor banks themselves must bear responsibility for granting loans for unviable projects to third world countries. Such is the dilemma that now faces the world, a dilemma calling for urgent resolution in order to stimulate international trade between the developed and the developing economies of the world. Both economies must share the responsibility towards the recovery of world trade.

Ideally, as the "Daily Times" editorial of 7th June, 1988 has put it, "debt cancellation is certainly the most viable and reasonable option open to any advanced economy genuinely interested in easing Africa's debt burden." That is a view so far not shared by our creditors, who are intent on exacting the best advantage in the ball game. Somehow, both the debtor countries and the creditor countries prefer to gloss over their respective moral guilts, the debtors—for mis-managing their economies "through poor planning, massive embezzlement and unimaginative leadership" ("Concord"—Tuesday 7th June, 1988) some creditors—for knowingly proposing, supporting and financing unviable projects. The debt issue, therefore, presents as a "catch 22" situation—creditors wish to be paid, debtors cannot afford to pay if creditors do not facilitate the repayment either through new loans or through higher prices for exports of debtor countries.

Fidel Castro came into the debt debtate in 1985 acting as it were as the leader of Latin Americans. His proposal was that the debt should "be cancelled purely and simply." Banks can be compensated by creditor governments out of current military expenditures. According to him, debt forgiveness would mean renewal of the structure that *supplies industrialised nations with raw materials. "Latin America could import twice as much from USA as now". The Yoruba saying is apt—"if the debtor has no money to pay a* debt, then the debt is unpayable and uncollectable". However, under "the rule of the game" a debtor nation must not openly delcare—it cannot pay, for that will provoke retaliatory actions by its foreign creditors with all the disastrous social and economic consequences both within and outside its borders. A 'concilitaory default' approach has been advocated by some scholars.[28] Conciliatory default means, that you don't pay, but you declare that you have every intention of paying as soon as you can manage it or you pay only certain selected creditors, all with a pleasant smile and courteous manners".

As in all matters of human affairs, the resolution of the debt problem of Nigeria lies in the continuation of dialogue with our foreign creditors in concert with other African countries. Given the case by case approach of the creditor countries, it should be possible for Nigeria whilst simultaneously acting in concert within the OAU, to attract postponement, debt forgiveness and/or a most favoured mutually acceptable debt/equity investments. Any debt/equity scheme to be designed must be directed towards investment in "priority industries" as may be declared by the Federal Government. Such scheme must be well thought out, to ensure certainty in its terms and must be informed by our desire to maintain our national integrity and to preserve the gains of Indigenisation. The trade-offs built into the scheme must recognise the innate strength of Nigeria's economy and its advantage as the largest and most vibrant market in Africa South of the Sahara. More important to the structural adjustment is the problem of the exchange rate of the Naira, which many of us agree is grossly undervalued. Before the IMF debate, the suggestion was that the Naira was over-valued. The argument being canvassed then was that the overvaluation in relation to external trade encouraged import at the expense of local production in agriculture and the use of local raw material in industry. In the recommendation which was made on the establishment of a domiciliary account, there was the proposal that monies in such domiciliary account may be used for authorised importation. The mechanism now in operation seems to have derived from the structural adjustment policy of "free market operation" both in the Central Bank funded market (FEM) and in the autonomous market.

A glaring price disparity has emerged in the two markets which must be rectified by some form of intervention, since the price in the autonomous market is adversely influencing the true value of the Naira. The inter bank transactions act as spur to raise the realised value of the foreign currencies being marketed, since a bank's commission relates to the realisable value. To reduce the pressure on FEM, consideration may be given to measures which will discourage the trading and recycling of export proceeds prior to repatriation of such export proceeds. In short, as I indicated on the 25th June, 1987, "the market forces" principle cannot be allowed to run riot to the extent of having the Naira so debauched. On that occasion, I quoted Mrs Margaret Thatcher who in 1987 had said that "A nation which allows her currency to be debauched is asking for trouble".[29]

In the main, our Structural Adjustment Programme is on the right track, but the implementation needs to be monitored on a day to day basis, so that ameliorative measures may be applied as circumstances may demand. So far, there is clear indication of a noticeable increase in the volume of demand for manufactured goods in the market place as evidenced by the performance of many companies in the first quarter of this year. At this juncture and until further empirical survey can be carried out on the demand pattern for the remainder of the year, it would be premature to come to the conclusion that SAP has had its full impact on our economy. It is quite probable that the reflation policy of the government has worked this magic, although it is producing an inflationary side-effect in the prices of our staple food. However, some observers think that these staple food are being hoarded or exported by some miscreants in the society, to the detriment of the majority of the citizens.

All in all, the Nigerian economy has once again proven its resilience and defied the doomsday preacher. It has proven that there is an underlying resilience in the formal and the informal sectors, which is sustaining the economy and distinguishing it from other developing economies. I am led to pronounce, therefore, that despite its nomenclature, the policies set down in SAP are in no way different from past economic stabilisation policies, and are efficacious for confronting our economic problems, which are in no way different from those of other developing economies. That statement leads me inevitably to the conclusion that SAP as an instrument for a new way of life, cannot have a determined period, but must be a continuing programme, which must be adjusted with a human face from time to time, within the parameters of our fluctuating fortune, in order to ensure a better life for all and for generations after us. Beyond the Structural Adjustment Programme and with tenacity of purpose in its implementation, I can see a silver lining in Nigeria's economic horizon. With the enlightened co-operation of our international creditors the achievement of that silver lining will not be just a dream but a reality.

In the meantime, I can only exhort you to adopt the prayer which has become so popular among West Texans in the USA, some of whom have gone bankrupt in recent times, due to the oil price war.

"Oh Lord, give us another boom and we will handle it more wisely".

NOTES

1. Okigbo, P: Essays in the Public Philosophy of Development Volume 1, Enugu, Nigeria. p. 149.
2. Robinson, Joan: Collected Economic Papers 1960 see Bauer, P.T: Equality, Third World, and Economic Delusion Cambridge, Mass 1981 p. 213.
3. George, Susan: A fate worse than debt, London 1988 p. 4.
4. Ibid: p. 47.
5. Okongwu, Chu S. P:—A review and appraisal of Structural Adjustment Programme, July, 1986 to JUly, 1987—(Special Press Briefing) 23rd September, 1987.
6. Phillips, Adedotun and Ndekwu, Eddy: Structural Adjustment Programme in a developing economy. The Case of Nigeria; NISER 1987 p. 1.
7. Moffit, M: The World's Money—International Banking from Bretton Woods to the Brink of Insolvency, London 1983, p. 130.
8. George, Susan: A Fate Worse Than Debt, London p. 87.
9. Ndekwu, Eddy: Economic Theoretical basis of SAP—Annual Conference of the Nigerian Economic Society, Obafemi Awolowo University, Ife, 3rd May, 1988.
10. Phillips, A. and Ndekwu, Eddy: Structural Adjustment Programme in a developing economy. The Case of Nigeria: NISER 1987.
11. Nigerian Economic Society 1988: Annual Conference Communique—7th May, 1988.
12. George, Susan: A fate worse than debt, London 1988, p. 232 to 234.
13. Federal Government Extra-ordinary Gazette. No. 1 Volume 75—1st Junuary, 1988.
14. Ricardo, David: Works and Correspondence of David Ricardo, Cambridge 1962, Volume 1 p. 132.
15. Phillips A. and Ndekwu Eddy: NISER 1987 Chap. 2 p. 15.
16. Sanusi, J. O. "Genesis of Nigeria's Debt Problems: Problems and Prospects for Debt Conversions", at a workshop on the proposed operations of Debt Conversion /Debt Trading Programme: 13th to 14th June, 1988. p. 22.
17. Ibid. p. 22.
18. Mabogunje, A: On Development and Development—University Lecture, Ibadan 1978.
19. Laws of the Federation of Nigeria 1978 p. A47.
20. Bauer, P. T: Equity, The Third World, and Economic Delusion—Cambridge Mass 1981 p. 186.
21. Report of the Industrial Study Group to the Federal Government—Chairman Ogunbajo, C. O. Chief—October, 1984.
22. Bradley, Bill (Senator) "A proposal for Third World Debt Mangement" Zurich—29th June, 1986.
23. Schumer, C. "Third World Debt: Unpayable as now structured"—International Herald Tribune 11th March, 1986.
24. Schumer, C. and Watkins, A: 'Faustina Finance' NEW REPUBLIC—11th March, 1985.
25. Abuja Statement on Economic Recovery and Long Term Development in Africa—19th June, 1987.
26. Baker James: Statement at the meeting of African Development Bank at the 24th yearly assembly, May, 1988.
27. OPEC Bulletin—February 1988, p. 54.
28. George Susan: A case worse than Debt, London 1988—p. 70.
29. Mrs Margaret Thatcher—TV Interview by Sir Robin Day, 1987.

THE CHANGING VALUE OF THE NAIRA

This is a continuation of Professor Sam Aluko's article published in the 1988 March/April issue of the Journal

Structural Adjustment Programme and Naira Devaluation

41. However, in view of the serious economic problems facing the Nigerian economy, President Babangida, in his 1986 budget speech, on 31st December 1986, said that the Federal Government had decided to adopt a dynamic economic recovery programme, without the IMF loan. The major objectives of the Structural Adjustment Programme which was expected to bring the economy back on the path of steady and balanced growth were to:

(i) restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports;

(ii) achieve a fiscal and balance of payments equilibrium and surplus in the medium term;

(iii) lay the basis for a suitable, non-inflationary growth over the medium and long term, and,

(iv) lessen the dominance of unproductive investments in the public sector, improve public sector efficiency and intensify the growth potential of the private sector.

42. One of the five main strategies for the effective execution of the programme was the attainment of a realistic exchange rate for the naira. The other four planks were the strengthening of the already strong demand management policies, a further rationalisation and restructuring of the customs tariffs to aid the promotion of industrial diversification the simplification of the regulations and the guidelines governing industrial investment and commercial banking activities and, the adoption of appropriate pricing policies especially for petroleum products and public enterprises.

43. During the second half of 1986, the programme of economic recovery contained in the 1986 budget was, in the words of the Central Bank of Nigeria 'developed into a formal IMF-supported Structural Adjustment Programme (SAP). This was in spite of the fact that Nigerians had rejected, through a nation-wide debate, the involvement of the IMF, that the Federal Military Government had accepted the decision of the Nigerians relating to the IMF and had decided to adopt a dynamic economic recovery programme without the IMF loan. So, even though Nigeria lost the IMF loan, it did not escape the IMF control and directive. The SAP was to operate from July 1986 to June 1988 under the watching eyes of the IMF and the World Bank.

44. In its determination to attain a realistic exchange rate for the naira, the Government and the CBN introduced a Second-tier Foreign Exchange Market (SFEM) on 29th September, 1986, in addition to the normal first-tier Foreign Exchange Market (FEM). The exchange rates operations in the two tiers were to be unregulated and be permitted to reflect market forces.

The Second-Tier Foreign Exchange Market (SFEM)

45. The objectives of the Second-tier Foreign Exchange Market (SFEM) were to evolve a realistic and sustainable market-determined exchange rate for the naira, so as to reduce demand for foreign exchange to available supply, reduce the pressure on the balance of payments, eliminate the distortions in all the major sectors of the Nigerian economy, reduce imports, stimulate exports and pave the way for a more self-reliant and sustainable growth. While the Second-tier rates of exchange were to be market-determined, the first-tier rates were to move in sympathy with the second-tier and eventually merge with the SFEM within a period of nine months.

46. The SFEM first operated in the closed auction system whereby the Central Bank called for bids from all authorised dealers once a week for the available foreign exchange. Within the limit set for each authorised dealer, available foreign exchange was sold to successful bidders for on-the counter sales to their customers at a price determined at the bidding sessions, plus a margin fixed by the Central Bank. Inter-bank sale transactions were permitted and are still permitted. All external payments were made through SFEM, except for the repayment of government external debt, government contributions to international organisations and transfers to Nigerian missions abroad which were made through the

First-tier. The expected sources of funding for the SFEM were from the CBN, the flow from autonomous sources such as from the domiciliary accounts and private and corporate capital inflows. The first SFEM bidding took place on Friday, 26th September, 1986, and the rate of exchange that arose from the bidding became effective on Monday 29th September, 1986. All the commercial and merchant banks were given full authority to sell foreign exchange from their purchases at the SFEM to all eligible buyers without reference to the Central Bank.

47 The SFEM biddings were held weekly until 19th March, 1987, when they were changed to bi-weekly biddings. In all, 41 biddings were held between September 26, 1986, and November 19, 1987.

48. The SFEM biddings were held in dollar rather than in pound sterling to which the naira had been traditionally tied. There was no explanation for the abrupt dollar-naira SFEM, relationship, particularly bearing in mind that the naira had depreciated less violently against the pound sterling than against the dollar since 1973 (see table 1), and that the dollar itself had begun to depreciate progressively since September 1985. against the major currencies like the sterling. the Mark. the Guilder and the Yen, and was continuing its downward trend. To tie the naira to the unstable dollar then did not look wise enough for a country seeking a realistic exchange for its currency. This error has now been borne out by events. Although the dollar has depreciated against the other major currencies by almost 50 per cent since September, 1985 and by about 30 per cent since September 1986 when SFEM, came into operation, the naira had also continued to depreciate against the dollar to the consternation of the Central Bank of Nigeria and of the Nigeria business community.

49. In an attempt to stem the snake-like downward movement of the naira exchange rate, the SFEM auctions had been changed from average rate determination of the naira value to the marginal rate and now to the Dutch auction rate. The Bank interest rate had been deregulated and increased significantly as one of the means of checking high SFEM biddings. It was thought that business men whose profit would obviously be reduced by a higher interest rate would consequently bid lower. All these measures had not stemmed the downward movement in the exchange rate value of the naira as can be seen from the table 1. The auctions have resulted in a wide fluctuation of the naira exchange rate since September, 1986.

50. For instance, on 29th September, 1986, ₦4.6174 exchanged for $1 at SFEM, instead of ₦1.5691 for $1 on the day before the SFEM came into operation (see table 4). This meant that overnight, the naira whose value had been sliding against the dollar since 1983 was further devalued drastically by 62 per cent overnight. In January 1981, when ₦1 exchanged for $1.8737 (the highest naira exchange rate for the dollar on record), ₦4.6174 would have exchanged for ₦8.6516, instead of for ₦1 in September 29, 1986. When the naira exchanged rate further fell to ₦5.0585 on October 2, 1987, that amount of naira would have exchanged for ₦9.4781 instead of for ₦1, at the 1981 January rate of exchange of the naira. So, if a Nigerian businessman borrowed $1 million from the Overseas Private Investment Corporation (OPIC) of USA or from the Import-Export Bank in mid January 1981, instead of repaying ₦533,703, had naira retained its exchange value, he would have to repay in October 2, 1986, ₦5,058,500 or about 9½ times the original naira value of his debt. On November 19, 1987, the ₦1 million debt would have increased from ₦533,703 if repaid in January 1981, to ₦4,235,493 or about 7.9 times the naira value of the original debt. Which means that between January 16, 1981, and November 19, 1987, the naira depreciated to almost ⅛th of its exchange rate value. Compared with January 2, 1973 when naira was adopted as the Nigeria's unit of currency, the naira had depreciated to less than ⅛th of its value, or it has been devalued by 80.3 per cent. Compared with the pound sterling, the naira had been devalued by 73.4 per cent. Compared with the naira sterling exchange rate as on June 30, 1983, or June 30, 1984, when ₦1 exchanged for £0.9373 (the highest on record), the naira had been devalued by as much as 85.5 per cent. We can, from Table 1, make similar calculations in relation to the German Mark, the Swiss Franc, the French Franc, the Netherlands (Dutch) Guilder and the Japanese Yen.

51. In its May, 1987 Monthly Report, the CBN expressed its concern when it wrote that "the persistent depreciation of the naira vis-a-vis the dollar on the SFEM remains a matter of concern to the Monetary Authorities. The increasing number of authorised dealers

might underline the weakening of the naira as some new authorised dealers indulged in high biddings solely to take advantage of inter-bank deals. However, high supply of foreign exchange is the only effective and lasting solution to the problem of naira depreciation". The same concern was expressed in the CBN June and July, 1987 Reports which stated that the naira/dollar exchange rate had continued to show much variability in trend, an indication that naira has not stabilised nor found its realistic value. The various tables attached to this paper show the degree of variability of the exchange rate of the naira over time and particularly since the emergence of SFEM and FEM.

General Appraisal of the Changing Value of the Naira

52. As indicated earlier in the previous issue, even by September, 1986, just before SFEM was introduced, ₦1.5691 to $1 showed Naira devaluation of 47 per cent against the dollar, compared with its 1973 value, and 65.3 per cent devaluation compared with its 31st December, 1980 value, and that naira devaluation was continuing. It was thus hardly necessary to introduce SFEM at all, except at the promptings of the IMF and the World Bank. The introduction of SFEM and the behaviour of the exchange rate of the naira had done incalculable harm to the management of a stable economy and to increase agricultural, industrial and commercial production since September, 1986.

53. *Let us briefly annotate the effects of the devaluation of the naira brought about by SFEM, FEM and SAP. Even* when currencies are admittedly over-valued, most countries are reluctant to devalue their currencies for three basic reasons: first, that devaluation may not in fact improve the devaluing country's external payments position; secondly, that devaluation might unleash forces in the economy that will eventually undercut its benefits and those of other economic policies, and thirdly, that even if devaluation works, it may be politically disastrous to those officials who are responsible for undertaking it. We wish to discuss these effects under five of the possible many effects.

(a) SFEM and the Balance of Payments

54. Devaluation is normally undertaken to improve the balance of payments position of the devaluing country. Devaluation may therefore be judged successful to the extent that it leads to an improvement in the balance of payments by stimulating exports and discouraging imports or by inducing a large net inflow from abroad of foreign aid and of private foreign investments to take advantage of the improved relative competitive position of the country. As we have indicated earlier, the Nigeria's balance of payments position has not substantially improved and has in fact worsened since the naira began to slide in 1983. Nor has foreign private investments and foreign aid inflow substantially increased. In some of the years, capital outflow has exceeded capital inflow. SFEM, by being, in addition, an unstable devaluation mechanism had tended to erode private to foreign confidence in the Nigerian economy now than before its introduction.

(b) SFEM and the Terms of Trade

55. An argument sometimes advanced against currency devaluation is that it will turn the terms of trade against the devaluing country, thereby benefitting the rest of the world at the expense of the devaluing country. This is particularly so when the country's foreign trade is small relative both to its foreign sources of supply and to its export markets. In that situation, the country's terms of trade will be beyond its own influence or control and will be unchanged by devaluation. Under these circumstances, devaluation may worsen the country's terms of trade by lowering the foreign currency prices it receives for its exports, the extent of the worsening depending not only on the price elasticity of foreign demand for the country's export products but also on the devaluing country's elasticity of supply of exports. Nigeria's terms of trade have worsened since the introduction of SFEM so that, comparatively, we pay more now for imports than we receive for exports and while the prices of our agricultural and petroleum products continue to fluctuate downwards in recent months the prices of our manufactured imports have continued to rise.

(c) SFEM and Aggregate Demand

56. An economy usually experiences a slow down in business activity and a rise in unemployment following currency devaluation whereas, conventionally, a successful devaluation ought to lead to expansion in the economy as expenditure should be switched from foreign to domestic goods, thereby stimulating domestic business activity. Economic

(Continued on page 31)

Ajayi heads International School

Reverend Cannon (Dr.) Sylvanus Adedapo Ajayi has been appointed principal of the International School of the University of Ibadan.

Reverend Ajayi left Christ's School Ado-Ekiti (1950), and obtained a Cambridge School Certificate with exemption from London Matriculation. He holds a B.A. or the University College Ibadan (1961). He obtained a Dip.Ed (cantab) in 1963. He bagged M.A. Unife (1976), and Ph.D University of Ibadan in 1981.

His teaching experiences range over several Post Schools in Nigeria and abroad. In 1987, he received the Certificate of Honour awarded to only five principals in Nigeria. He is currently the President of the Conference of Principals of University Secondary Schools.

On behalf of the Council and Management of the Nigerian Institute of Management and the Editorial Board of ***Management In Nigeria***, I whole-heartedly welcome Reverend Cannon S. A. Ajayi to the honourable and envied chair of the Principalship of ISI.

International School, Ibadan, was founded in the early sixties and funded by UNESCO but it is currently administered by the University of Ibadan. Reverend Cannon Dapo Ajayi has since assumed duty at International School, Ibadan.

Meanwhile the entrance examination into form one for the 1989 Session of School has been announced as follows:

SALE OF FORMS
₦20.00 obtainable from the accounts department of International School, Ibadan.
DATE OF EXAMS
24th September, 1988.
CLOSING DATE
August 30th, 1988.
CENTRES
Ibadan, Abeokuta, Lagos, Kaduna, Benin and Akure.

PAN, VWON INCREASE CAR PRICES AGAIN

NIGERIANS are to pay more for the products of Peugeot Automobile of Nigeria (PAN), and Volkswagen of Nigeria (VWON).

The two motor assembly companies have increased the prices of their products though some new models have been introduced into the market.

The increase ranges from 10 per cent to about 20 per cent for Peugeot products. Volkswagen prices increased from 8 per cent to about 10 per cent.

According to information supplied by "Mandilas Motors," a major distributor of the products—the new prices took effect from April 8, 1988.

Volks Models

Among the newly introduced models is "Santana GX Royal" whose price was not fixed but would be "built" "on request".

Other VWoN new models and prices are Santana GX VIP — ₦54,890. Santana GX Attache — ₦57,850. Santana GX Diplomat— ₦61,000. Santana GX Senator— ₦64,680. Santana GX Ambassador —₦71,174; Double Cabin (radio tarpaulin)—₦53,154; Double Cabin (radio aluminium body)— ₦58,225.

Others whose prices were increased are Passat—from ₦41,690 to ₦46,885. Santana GX— from ₦49,958 to ₦52,685; Danfo (without seats)—₦43,763 to ₦48,200. Danfo (15 seater) ₦44,987 to ₦49,558; Ambulance (radio) ₦46,943 to ₦51,712; Single Cabin (radio) ₦45,524 to ₦50,150; Double Cabin (radio)—₦47,142 to ₦51,931; Delivery Van (radio)— ₦43,763 to ₦48,200.

Peugeot Models

The latest on the list is the SRS— AC/5 speeds and sells for ₦71,990. Its major attraction is its central lock system.

Its predecessor, the SR, has its price increased from ₦55,000 to ₦65,490.

Others are 504 GR (base)—from ₦39,000 to ₦43,490; 504 GR/AC -₦51,350; 504 SR/AC ₦43,000 to ₦53,990; 504 SW/Delivery van, ₦43,490; 504 SW(Ord. ₦50,750; 504 SW/AC, ₦57,490; 504 SW/AC "Luxe," N59,500 and 504 SW/AC Ambulance ₦64,300.

Others are: 505 GL/AC/Ord— from ₦46,000 to ₦57,000; 505 GLS, ₦61,550; J.5 bus (W/O seats) ₦55,300; 404 pick-up tarpauline, ₦45,750; 404 pick-up/Alumaco body ₦52,250; Delivery charges— ₦850.

The last increase for VWoN products was in December 1987 when the hike was by 10 per cent.

BANKS TO GIVE WEEKEND AND HOLIDAY SERVICES

BANKS in the country have now received the green light to plan towards providing weekend and holiday services. This indication was given in Lagos recently by the Governor of Central Bank, Alhaji Abdulkadir Ahmed who in addressing a seminar organised by the Association of Professional Women Bankers in Lagos, said "They are now free to stagger their working hours to provide service outside normal working hours including week-ends or ceremonial days".

Thanks to SAP which has created the keen competition which is expected to improve banking services in the country.

SOUTH, SOUTH CONSORTIA ADVOCATED AS ACEN ENDS CONFERENCE

THE Association of Consulting Engineers Nigeria has called on Engineering Practitioners in the country to exploit all possible avenues for consortium formation within the country or the immediate West African sub region before rushing overseas for such agreements.

This was the core of the arguments which took place at the recently concluded national Conference of the Association held at the National Engineering Centre, Victoria Island, Lagos.

Titled Consortium and joint venture operations in Engineering Practice in Nigeria, the Conference covered areas like organisation, international relations and financing and legal matters.

Declaring the Conference open, Colonel David Mark, the Minister for Communications, highlights some of the problems militating against the Engineering profession as lack of indigenous thought and touch in project designs, inadequate articulated programme for training Pupil Engineers, Delay in rendering Consultancy Services and inexperience. He further enjoined the Engineers to advertise their services. This he believes will help to enlighten the public and give more recognition to such services.

Reacting to the Keynote address by Chief V. O. Oyefodurin, Dr. C. C. Agbim believes that the theme of the Conference is taking Nigeria 20 years back. "Why are we still talking about joint venture agreements now"? he asks. Dr. Agbim adviced that this is the time to come back home and feel self sufficient. He enjoined all Engineers in the country to destroy the mentality of always rushing abroad for joint ventures when what they are looking for abounds here in quantum.

In a Paper titled Joint Venture Arrangements, Dr. E. J. Amana highlights some of the inherent problems in this practice as the Unilateral withdrawal by the foreign partner when the going turns sour and there is no prospect for high profit. The local partner is meant to bear the brunts because of the emotional attachment towards the development of his country.

He highlights another problem as being the disparity in Policy matters as they concern the foreign partner and the local one.

Other contributors in the two-day conference are Dr. J. O. Sonuga who treats the role of FEAC and ADEX and Engineer Raph Eke who handles the formation of consortia.

GOVERNMENT AND LABOUR LEADERS AGREE

ON 5th April, 1988, THE NNPC increased the price of petroleum products as part fulfilment of the withdrawal of subsidy on many consumer items. Consequently, a lot of unions went on strike against unlimited rise in cost of living. Two meetings were held between Government and representatives of the industrial unions.

At the meeting of 1st May, 1988, the following understandings were reached:

(i) That workers and trade union leaders arrested and detained will be released;

(ii) That no worker shall be dismissed or victimised as a result of participation in the industrial action in both private and public sectors:

(iii) That Government shall urge all private employers of labour who have not commenced or completed negotiation with trade unions in response to lifting of the wage freeze policy by Government to do so with minimal delay. In this respect, the Minister of Employment, Labour and Productivity will continue discussion with organised private sector.

(iv) Government acknowledges the sensitivity of increase in cost of living and will continue dialogue with the trade unions on all their grievances within two weeks.

(v) Government will urge all Ministries to discuss with the appropriate trade unions in their establishments on the implementation of the guidelines on the recent Civil Service Reform

Based on these, the representatives of the striking industrial unions agreed to suspend the industrial action they hitherto embarked upon.

The Federal Military Government was represented by the Minister of Employment, Labour and Productivity Alhaji Abubakar Umar, while eight industrial unions were represented including Civil Service Technical Workers Union, Medical and Health Workers Union and National Union of Banks, Insurance and Financial Institutions Employees.

ALHAJI ABUBAKAR UMAR

Abubakar Umar

NIM COURSES

SEPTEMBER 1988

5/9/88	Accounting for Supervisory and Senior Clerk	1 week	Lagos
5/9/88	Personal Effectiveness Self and Time Management	1 week	Lagos
5/9/87	Management Appreciation Course	1 week	Port Harcourt
12/9/88	Management Appreciation	1 week	Lagos
12/9/88	Financial Management for Directors	1 week	Lagos
12/9/88	Effective Selling Skills	1 week	Lagos
12/9/88	Managing People for Desired Results	1 week	Lagos
19/9/88	Top Management for Senior Executives	1 week	Jos
19/9/88	BBC	1 week	Lagos
26/9/88	Leadership and Motivation in Management	1 week	Lagos
16/9/88	Management Appreciation Course	1 week	Kano
26/9/87	Effective Selling Skills	1 week	Aba

OCTOBER 1988

3/10/88	How to improve Managerial Performance	1 week	Lagos
3/10/88	Internal Auditing	1 week	Lagos
3/10/88	Field Sales Management	I week	Lagos
10/10/88	Organization and Methods for Office Administration	1 week	Lagos
10/10/88	Industrial Relations	1 week	Lagos
10/10/88	Leadership and Motivation in Management	1 week	Maiduguri
17/10/88	MBO Adviser Course	3 weeks	Lagos
17/10/87	Management Auditing	1 week	Lagos
17/10/87	Marketing and Sales Management (RD)	1 week	Lagos
17/10/87	Employment Laws and Regulations	1 week	Lagos
17/10/88	Management Appreciation	1 week	Owerri
31/10/88	Supervisory Management	1 week	Lagos
31/10/88	Management Accounting	1 week	Lagos
31/10/88	Advertising Sales Promotion and Merchandising	2 weeks	Lagos
31/10/88	Developing Supervisory Leadership Skills	1 week	Lagos
31/10/88	Middle Level Management	2 weeks	Kaduna
31/10/88	Middle Level Management	2 weeks	Port Harcourt

NOVEMBER 1988

7/11/88	Inventory Management	1 week	Lagos
7/11/88	Advanced Management Accounting and Information Control	2 weeks	Ilorin
7/11/88	Job Evaluation and Salary Admin	1 week	Lagos
14/11/88	Work Study. Productivity and Cost Reduction (RB)	1 week	Lagos
21/11/88	Middle Level Management Course	2 weeks	Lagos
21/11/88	Maintenance Management	1 week	Lagos
21/11/88	Managing Accounting Departments	1 week	Lagos
21/11/88	Managing People for Desired Resultsd	1 week	Lagos
21/11/88	Management Appreciation	1 week	Zana
21/11/88	Supervisory Management	1 week	Aba
28/11/88	Credit and Debt Management	1 week	Lagos
28/11/88	Effective Selling Skills	1 week	Lagos
28/11/88	Effective Selling Skills	1 week	Aba

MEMBERSHIP NEWS

ELECTIONS IN NOVEMBER, 1987

ELECTED MEMBERS (MNIM)

Adeniran P A
Balogun G K
Nwaogu E A
Oji F A
Omoregbee O
Tinuoye O O (Dr)
Williams F O
Oyekan J O (Rev Dr)
Agugua L I

ELECTED ASSOCIATES (AMNIM)

Abodunrin T A
Abu Abdissamad A M
Adamolekun J O
Adamu B I
Adebayo O
Adedokun A S
Adegboyega O M A
Adeola G L (Dr)
Adelayo S B
Aduy A F
Agbara N N
Aigbewi D E
Ajayi G O
Akande J A O
Akpan E M
Alabi A A
Amazor P O
Amechi A A A
Amusa K A
Anibowose S O
Anijah-Obi G
Annio G O
Anyanwu P C
Apata T A
Asemwota V A
Atabo O A
Atanda A A
Alutoman A
Atunrase S I
Awofisayo A A

ASSOCIATES (Continued)

Awote F O
Babalola O J
Barce C B
Balure I
Bukoye L
Dada K I (Mrs)
Dada K K
Dalode L S
Damjor J I
Dim A (Mrs)
Ebo A J
Echikwonye B A
Egerton-Shyngle E K
Ekakitie E A
Elegbede F A (Mrs)
Etuk N T
Fapuro I S
Farayola S O
Filani M M
Giwa I
Haruna M O M (Mrs)
Ibezimuoh F S
Ibukun F O S
Ijei B A (Mrs)
Ikogi O D
Izedonmi O I F
Keghku E A
Kparevzua R K (Dr)
Madu C C
Maduako N E
Malik H T
Matthew S P
Moro B A
Mshelbwala A A (Major)
Nwaozuzu C
Nwajagu O C
Nwokeji F I
Nwosu V A (Miss)
Nzeh T C
Obazei I N (Mrs)
Odusami K I
Ogidan N A
Ogu B O
Ogunedojutimi R O
Oguntibeju R C
Ojo A O
Okanlawon A B
Okoye B A O
Okunalo J K
Okusanya R O
Olaleye D K
Olaoye A O
Olarinde O S
Olawuyi S A
Olumuyiwa B S B
Omotosho R O
Onomuelor R
Onyeama D O N
Opara P C
Osarenren V O
Osundiya A B
Salami A A
Seidi A D
Sholola I O (Mrs)
Sobande A O
Sobande O M (Capt)
Unim T
Usman A G
Winsala O B
Oluwadare S O
Kazeem R A
Turner I O
Oghonoghor D F
Okhiria O W

ELECTED GRADUATES

Achulonu B C
Adebisi I A
Adegbonoye O V
Adeyemo E A
Adeyokunnu A S A
Ahunanya G C
Akinyosoye A A
Alaya O Y K
Alege I
Aliyu I A B
Amadasun O
Asindu C I
Bankole J A
Coker A O
Eche V C

GRADUATES (Contd.)

Edeawe S E
Ekwenibe T U (Miss)
Ekpunobi C A
Fagun Y O (Miss)
Idi E F
Jibodu G A
Juryit A D
Kamaluddeen K K
Mohammed M I
Mohammed S F
Obikunle O O
Oburoh S O
Ogundijo M D (Miss)
Olatunji O B
Ovedhe G E
Oyovola C U
Uhiene D A
Nwafor O J
Momoh P E
Adiuku T M

ELECTED AFFILIATES

Abia S F
Adeleye J S O
Aina D S
Akinade A S
Amadi F M
Aniekwu I R
Awofiranye I O
Dashe J P A
Henshaw E A
Mba A J
Nduka A N
Ndukwe I I
Nnakwu C C
Nnamani C I
Nwoye C C
Olagunju A R
Olasheni J K
Oluyide V A
Omidiji D O
Omojaro S A
Osifeko M O
Ozuruigbo G

AFFILIATES (Contd.)

Saremi P G
Umoren P T
Wahab I O A

CONGRATULATIONS on your Admission to The Apex of Management

DECEMBER 1988

5/12/88	Supervisory Management	1 week	Lagos
5/12/88	Budgeting and Budgetary Control	1 week	Lagos
5/12/88	Leadership and Motivation in Management	1 week	Lagos
5/12/88	How to improve Managerial Performance	1 week	Kano
5/12/88	How to improve Managerial Performance	1 week	Aba
12/12/88	Management Appreciation	1 week	Lagos
12/12/88	Field Sales Management	1 week	Lagos
12/12/88	Developing Supervisory Leadership Skills	1 week	Lagos
12/12/88	Banking and Corporate Cash Management	1 week	Lagos

NEWS

UPGRADINGS	FROM	TO
Adjao O A		
Ajidee D O	Associate	Member
Balogun F K	Associate	Member
Bankole J A	Associate	Member
Beattie I N	Associate	Member
Buraimoh Ademuyewo A A	Associate	Member
Cadmus G K (Rev)	Associate	Member
Chizea B I (Dr)	Graduate	Associate
Doghudje C A	Graduate	Associate
Dosunmu J O	Graduate	Associate
Ebuh V O	Graduate	Associate
Egunjbohun S A	Affiliate	Associate
Egwakhide F A	Graduate	Associate
Ejehu S N C	Affiliate	Associate
Ekpenyong M S	Graduate	Associate
Ezenekwe J	Affiliate	Graduate

UPGRADINGS	From	To
	Associate	Member
Ibidapo-Obe O (Prof)	Associate	Member
Ibrahim M A	Associate	Member
Idiabana D	Associate	Member
Ladapo J O	Associate	Member
Morah I T	Associate	Member
Rwang P D	Associate	Member
Abdullahi D E	Associate	Member
Adeyemi A K	Associate	Member
Ajalie D I	Associate	Member
Balogun B O	Associate	Member
Ezeibe B C O	Associate	Member
Fasan O D	Associate	Member
Ojukotola R O	Associate	Member
Onyido B C	Associate	Member
Fagbamigbe J O	Associate	Member

PROMO: 1988 JULY/AUGUST ISSUE

YOU are familiar with our Annual Bumper Edition which normally carries the Annual National Management Conference papers, speeches, list of Who's Who and of course goodwill messages from the Head of State and State Governors. Don't miss it.

Here, we bring you a package of interesting topics like:

Main Theme: "Managing the Economy Out of Recession" *by Chief S B. Falegan*

Sub Theme I: "Monetary and Fiscal Policy to Boost Nigeria's Economic Recovery" *by Chief (Dr) Alhaji M S Umoru*

Sub Theme II: "Role of Public and Private Sectors in Achieving a Buoyant Economy" *by Dr C P Ezeife*

What an adequate place to advertise your products and services to reach over a *Million Audience* all over the world. So rush. Who said no point hurrying? You can't afford to miss it.

As an NIM member, or conference participant, you will get your Subsidized copy. But you may need an extra copy for just ₦4.00.

If you are not an NIM member, you can subscribe to it for only ₦5.00 just to wet your appetite because the taste of the pudding is in the eating.

Send the form below to the Editor with your subscription fee in bank draft/cheque/cash.

Name ______________________

(In capital letters)

Address ______________________

____

____

____

I enclose ₦5.00 in bank draft/cash/cheque

250 years of Methodism

THE Patriachal Methodist Church of Trinity, Lagos, recently held a thanksgiving service to mark the 250th anniversary of the founding of the Methodist Church by John Wesley, in 1738.

In a message, the Patriarch, his Pre-Eminence Mbang called on all Methodists all over the country to follow the example of John Wesley and have the experience of the "warmed heart" or have "conversion experience" in their christianity. In his words, the Patriarch opined that if these are lacking in one's christianity, then one is practising counterfeit christianity and one's worship is simply a drama or show.

He called on all Methodists to let the 250th Anniversary celebration of John Wesley's Conversion light the torch for the conversion experience of all Methodists in Nigeria.

Reverend Makinde led a delegation of Nigerian Methodists to the United Kindgom to celebrate with Methodists all over the world.

BRANCH NEWS

PROF. NURU APPOINTED DVC

Professor Saka Nuru

PROFESSOR Saka Nuru has been appointed Deputy Vice-Chancellor (Admin) of the Ahmadu Bello University, Zaria, by the Governing Council of the University for two years with effect from 17th March, 1988.

Before the appointment, Professor Nuru was the Director of the National Animal Production Research Institute.

Born at Ilorin, Kwara State in 1936, Professor Nuru had his early education in 1956 at Barewa College before proceeding to Bath Technical College, England. He was also at Bristol University and Kansas State University in 1960 and 1969 where he obtained his bachelors and masters degrees respectively.

He bagged the ABU Doctor of Philosophy in 1974 and became a Professor in 1976.

He is a full member of NIM.

Management In Nigeria on behalf of the Council and Management of NIM congratulates him and wishes him a happy and peaceful tenure of office in a supra-boisterous society like ABU's.

NEW EXECUTIVE FOR ZARIA BRANCH

THE Zaria Branch of the Nigerian Institute of Management has elected a new executive for the 1988/89 management year.

The Chairman Mr. Sam Imasuen and the secretary Mr. A. F. Jerome retained their posts.

Other officers elected are Alhaji Jibo (Vice-Chairman), Mr. J. A. Unde (Assistant Secretary), Alhaji A. Bello (Treasurer), Dr. S. A. Oladebo (Financial Secretary), Mr. D. D. Jogai (P.R.O.) and Mr. J. Ikhigbonoaremen (Assistant P.R.O.).

OYEYIPO TO ADVISE THE PRESIDENT

MR. E. A. O. Oyeyipo has been appointed Special Adviser to the President on Local Government Affairs by the President, General Ibrahim Babangida.

Until his appointment, Mr. Oyeyipo was a Chief Administrative Consultant and the Head of the Department of Local Government Studies, Ahmadu Bello University, Zaria.

Mr. Oyeyipo, a full member of NIM, hails from Kwara State and is married with children.

Kaduna Branch Elections

At the recent AGM of the Kaduna Branch of NIM, the following were elected to various offices for the 1988 year.

1. Mr. Godwin Nkwazema — *Chairman*
2. Alhaji Mohammed Sani Aismaila — *Vice Chairman*
3. Mr. Hobson E. Nnebe — *Hon. Gen. Sec.*
4. Alhaji Hassan Muazu — *Fin. Secretary*
5. Mr. J. A. Haigari — *Pub. Secretary.*
6. Mallam Zakari Opaluwa — *Treasurer*
7. Mr. J. L. Zakari — *Asst. Gen. Secretary*
8. Mr. S. A. Onuh — *Asst. Pub. Secretary.*
9. Alhaji Mohammed Inuwa Jibrin — *Ex-Officio Member*
10. Alhaji Sani Luggard — " " "
11. Chief S. O. Momoh — " " "
12. Dr. M. I. Kolawole — " " "
13. Mrs A. Jibrin — " " "
14. Mr. T. S. Ekawu — " " "

One of the first assignments performed by the new executive was to visit Governor Abubakar Dangiwa Umar of Kaduna State, who is a National Vice Patron. Governor Umar praised the branch for spreading the gospel of management to the rural areas and noted that with 98.7 million hectares of rich land at the disposal of Nigerians, the highly desired economic take-off has not materialized because of lack of an effective and efficient management culture. He then called on all to emphasize scientific management.

Godwin M. Nkwazema
Chairman, NIM Kaduna

DUNLOP APPOINTS DIRECTOR OF WORKS

DR. Samuel Nnaemeka Anyakora, 45, has been appointed the first Nigerian Director, Tyre Manufacturing of Dunlop Nigerian Industries Limited with effect from 1st April, 1988. He succeeds Mr. Terry Padmore who is leaving the company to take up another appointment in the U.K.

Dr. Anyakora joined Dunlop on 1st October, 1971, after obtaining his Ph.D in September 1971 from Loughborough University, U.K. where he had earlier graduated First Class Honours, Bachelor of Technology

The new Director Tyre Manufacturing was until his new appointment the General Works Manager of the tyre factory. He had earlier held various positions in the company including Manager, Factory Technical Services and General Manager, Material Supply.

Dr. Anyakora is a Chartered Engineer, Corporate Member, Institution of Chemical Engineers and a member of the Council of Registered Engineers (COREN). He has attended a number of professional Management and engineering courses in Nigeria and abroad.

Dr. S. N. Anyakora

CMB NETS ₦26.26 MILLION PROFIT

CONTINENTAL Merchant Bank Nigeria Limited (CMB) recorded a profit before tax of ₦26.26 million for its operations in 1987.

Col. Sani Bello (Rtd.), Chairman of the Bank, reported to shareholders that the amount represents 37.1% increase over the ₦19.15 million recorded in 1986. Profit after tax was equally up from ₦13.312 million to ₦17.165 million. Total assets grew from ₦888,970 million to ₦1,366.647 billion in 1987.

A 48.4% increase in loans rose from ₦302.65 million in 1986 to ₦449.28 million in 1987.

A swooping 55.3% increase in deposits was also recorded as this rose from ₦744.19 million in 1986 to ₦1,155.39 million in 1987.

ODUNFA TO MANAGE "THE REPUBLIC"

THE Republic Publishing Company has announced the appointment of Mr. Sola Odunfa as its Managing Director.

Mr. Odunfa's journalistic career which spans over 24 years started with the Daily Express in 1964. He has been Editor of Lagos Weekend, Spear Magazine, Sunday Sketch, The Punch, and lately Editor-in-Chief of the Punch newspapers and magazines.

He is most remembered as War Correspondent of the Daily Times during the Nigerian Civil War.

IMB ENDOWS THREE CHAIRS

THE International Merchant Bank has doled out a staggering ₦0.5m to three universities in the country.

The money is the first instalment in the four-year instalment of the endowment of three professorial chairs IMB is sponsoring in the universities of Ilorin, Maiduguri and Port-Harcourt for Agronomy, Medicine and Banking/Finance respectively.

Each university will receive about ₦160,000 for the first four years of the sponsorship.

Management In Nigeria considers it a welcome development in educational financing and congratulates IMB for taking such a giant step in its operations. IMB, more grease to your elbow.

Nigerian Association of Women in Business (NAWIB) Launched in Kaduna

THE Nigerian Association of Women in Business (NAWIB) has been inaugurated in Kaduna as a non-political, non-religious, non-ethnic and non-social club. Speaking at the inauguration, the President, Mrs Nancy Udezue said that the association was born out of a desire to harness and mobilize the abundant talents, resource-fulness, ingenuity and business acumen of Nigerian business women towards the economic emancipation and growth of Nigeria.

Among the aims and objectives of NAWIB are the encouragement of women to participate in economic development activites as well as the furtherance of legitimate business through womanhood with the hope of re-organising the Nigerian women towards purposeful and co-ordinated financial development. It is hoped that the forum will facilitate the quantification of the efforts of women towards national development.

Among the Distinguished Guests at the occasion were the wife of the Military Governor of Kaduna State, Mrs Umar; Justice Hansen Donli, Kaduna High Court Judge; Mrs L. Sanni representing the Commissioner of Police.

Members of the NAWIB led by the President Mrs Udezue who holds B.Sc (Accountancy) and MBA (Finance) participated in the 10th Kaduna International Trade Fair.

Mrs Udezue is a consultant in Finance and Investment directing NOUCKEZ (International) Ltd. in Kaduna.

IBB OPENS PETROCHEMICAL PLANTS: PHASE I

THE first phase of the NNPC Petrochemicals Plants has been formally commissioned by President Ibrahim Badamasi Babangida on Friday the 18th and Tuesday the 22nd of March, 1988. The plants are located at Ekpan (Bendel State) and Kaduna (Kaduna State) respectively. The formal opening is fundamentally important to the industrial growth and development of Nigeria in the sense that the products of the two plants are raw materials for a lot of manufacturing concerns. Invariably, chemical materials are being used to substitute a lot of natural raw materials. For example, petrochemicals are used in the production of industrial consumer goods like plastics, synthetic fibres, synthetic rubber and solvents.

In addition, in the world of Agriculture, it is crucial to the production of ammonia on which fertilizer is based. Irrigation pipes; silage shelters, containers and rigid sheets are made from petrochemical products. The film made from Low Density Polyethylene (LDPE) is used for green house covering, mulching, water conservation and a host of other things.

In the area of food storage systems and insulation technology, giant refrigerated warehouses, fishing vessels with refrigerated equipment, refrigerated wagons or lorries; other industrial and domestic refrigerated equipment, commercial food distribution and packaging equipment are all made from petrochemicals.

In the building industry, the base of floor tiles, electrical insulators like cables, switches, wires and bulbs; pipes used in water supply, waste disposal, telephone wire, ceiling tiles, and carpets are petrochemicals.

At the domestic level, mattresses, foams, synthetic chair covers and backs, refrigerators, electrical appliances, television, airconditioners, cookers and vaccum cleaners, washing and dish washing machines, electric fans, cups, buckets, basins, jerry cans, textiles and shoe soles contain a lot of petrochemicals.

In the automobile industry, more than 25% of the components of a vehicle are petrochemicals. Dashboards, tyres, tubes, hoses, fan belts, gaskets, *et cetera* are made of petrochemicals.

Linear Alkyl Benzene (LAB) is used in soap manufacture. In the pharmaceutical industry, drugs, tablets, capsules, disposable syringes, cosmetics and detergents have petrochemical components.

When we look at the world around us, then, is it not wise to conclude that we hardly can live without petrochemicals and that the world we live in is that of Petrochemicals. This is just to confirm that the stride in terms of industrial development and quality of life is a giant one. We may not immediately be able to quantify it.

The two petrochemical plants are designed to produce the following products: *(see the table below)*

Economically, not less than 1,500 Nigerians work in the plants. The vast employment opportunities in the ancilliary industries will be created by the band-wagon effects.

In addition, the 25,000 metric tonnes per year carbon black plant at Warri is set to meet the country's entire requirements for the product used in the manufacture of rubber products, batteries and printing ink.

The Warri facility also has a smaller plant that produces 35,000 metric tonnes of polypropylene per year.

The Kaduna facility is made up of five solvents plants with a combined capacity of 35,000 metric tonnes per year. These have started producing various kinds of industrial solvents, including linear alkyl benzene for detergent manufacture.

The two plants are expected to earn about $150m yearly for the country from exports and drastic reduction in the importation of petrochemical products. The polypropylene being produced from Ekpan Plant with a yearly capacity of 35,000 tonnes will be fully utilised by home industries in the manufacture of packaging materials, household goods, building, medicinal equipment and accessories. The Linear Alkyl Benzene plant in Kaduna is expected to produce 30,000 tonnes of linear alkyl benzene (LAB) which is a basic raw material for the detergent industry.

The idea of establishing the petrochemical plants in Nigeria started in the late 60s.

Linear Alkyl Benzene	30,000 (Tonnes per year)
Polypropylene	35,000 (Tonnes per year)
Ethylene	100,000 (Tonnes per year)
Propylene	168,000 (Tonnes per year)
Butane	22,000 (Tonnes per year)
LLD Polyethylene	270,000 (Tonnes per year)

(Continued from page 22)
activity has slowed down in Nigeria since the introduction of SFEM, mainly because of the overly stringent monetary and fiscal policies that have been adopted along with SFEM in order to reduce the dangers of inflationary spiral. SFEM has also had an adverse effect on the level of aggregate demand as expenditure on domestic goods and services has declined owing to the deflationary policies of the federal government alongside the increased taxes in breadth and depth since SFEM and which are still continuing. The adoption of trade liberalisation has also led to imports absorbing a larger amount of domestic purchasing power and the substitution of imported goods, including second hand manufactures, for domestically manufactured goods. Thus, SFEM has been deflationary. Domestic spending on imports has increased sharply even though the volume of imports has fallen. Because of the reduced demand for goods and services business enterprises have not been producing at optimum capacity, labour has been retrenched leading to further reduction in aggregate consumer and producer demand which again aggravates further reduction in productive capacity. Six main factors have thus contributed to the reduction of the magnitude of aggregate demand since the introduction of SFEM. They are, changes in domestic currency; changes in government expenditure on goods and services, changes in tax revenues, changes in the money supply, changes in income distribution and the problem of private domestic debts.

57. Alongside the introduction of SFEM was the mopping up of excess liquidity in the banking sector by the Central Bank the increase in the rate of interest and in the cash deposit ratio of the banks so that loans and advances to the private sector have substantially decreased or become more costly. Thus, currency and loan restrictions have had a deflationary effect on the economy and reduced investment, employment, and propensity to consume capital and consumer goods.

58. Secondly, government expenditure has substantially reduced through the policy of reducing erstwhile public sector deficit budgeting not only through retrenchment of labour in the private and in the public sectors but also of not employing new labour. These reduce disposable income available to the workers, to the government and to private enterprises with consequent decreased demand for goods and services via the decelarator (negative multiplier effect).

59. Thirdly, rather than reduce taxes, the governments have introduced along SFEM and SAP a variety of new taxes and increases in the level of existing taxes with more rigorous enforcements all of which have had the effect of reducing personal disposable income, including rendering bankrupt or driving out of existence marginal firms, particularly the small scale enterprises and the back-street shops.

60. Fourthly, the money supply has not been increased to match the decrease in the value of the naira. Thus the depreciated naira has been scarce to come by and most public and private institutions have not had increased naira allocations made to them today than they had before naira lost almost 80 per cent of its value. They are therefore unable to purchase the same amount of goods and services which they used to purchase before the introduction of SAP and SFEM. Deflation has been further deepened by such stingy allocation of money supply.

61. Fifthly, SFEM has also exerted deflationary impact on the economy in several other ways. It has redistributed income from the segments of the population with high propensity to spend (the workers and the other low income private entrepreneurs) on domestic goods and services to those with low propensities to spend on such goods and services, that is the profit and rent earners who can put their surplus in the banks and earn 15—18 per cent rate of interest on their saving deposits in the banks. So, domestic demand has fallen. Also, the low spending group by having a higher propensity to save or higher propensity to import have actually worsened the trade balance as well as cause deflation.

62. Sixthly, another source of devaluation-induced deflationary pressure arises from the presence of large private external debt raised in foreign currency by domestic private entrepreneurs. SFEM has increased both the outstanding debt and the debt-servicing burden on such debtors in terms of the naira. The borrowers have thus been thrown into technical bankruptcy at a time when their net earnings have reduced because of the lull in domestic economic activities. Private investment activities have consequently reduced and if such bankruptcy is sufficiently wide-

spread the on going investment slump could deepen. I know of a few firms that borrowed liberally and at high interest rate from abroad for working capital and for equipment when the naira exchanged for up to $1.5 or more and which now find themselves with huge obligations after the naira been devalued to £0.14. The problem is not unknown to the Federal Government which guaranteed some of the private external loans but which is now not ready to assume responsibility for the additional burden, inspite of representations from the business community and the inter-mediating banks.

(d) *SFEM and the wage-price Spiral*

63. The usual fear associated with currency devaluation is that it will generate a round of wage and price increases that may nullify the price advantages that the devaluation may give to the country's products in domestic and foreign markets. The increase in import prices usually pushes up the cost of living which in turn raises pressure for higher wages, raises domestic money costs and the cost of living and so on in a vicious cycle until it wipes out the gains from devaluation. Where imported goods constitute important inputs in the domestic production costs as in Nigeria devaluation directly raises the cost of production and of exports. Of course, all these relationships depend on the response by wage earners, businessmen and farmers. So far, the governments have succeeded in holding wages down and also reduced its wage bills appreciably. Also, the businessmen, because of decreased demand, have not been able to increase their prices in sympathy with the fall in the value of the naira. But the farmers have not been so tolerant. Farm gate prices of the main agricultural export products have sky-rocketed almost three fold since SFEM was introduced to the extent that the urge for private exporters to buy and export is fast diminishing and may ruin the export market unless the government intervenes to stabilise and rationalise the market. The wage and salary earners are now restive and before long the government as well as the private employers are bound to grant some reprieve. When that happens, consumer prices will correspondingly increase unless the government subsidises major items in the cost of living or imposes price control, both of which are contrary to the policy of the present government which seeks to remove most subsidies and controls.

(e) *SFEM and its Political Consequences*

64. Even when devaluation is desirable, policy makers usually shy away from it on political grounds. National prestige and local pride are usually factors that make devaluation unattractive. Also, there is the fear that such devaluation might cause political problems for those responsible for its initiation and implementation. The present government is lucky with SFEM and SAP because it has been possible for it to put the blame for their introduction on the past civilian regime which has been successfully accused of having mismanaged the economy.

The population has accepted the accusation and absolved the present military regime of much of the evil effects of SAP and SFEM, particularly because the population at a public debate rejected the IMF loan and gave a blank cheque to the regime to introduce and implement alternative policies for the recovery of the economy. But such tolerance by the population may not continue for ever. Usually, in countries that devalue sharply and get into deeper and deeper economic quagmire as a result, it is the finance ministers and the leading central Bankers that first lose their jobs even when the governments stay in office. In a majority of the cases, the governments themselves have usually been defeated at the subsequent elections. Such countries included Britain, France, Ghana, Argentina, Columbia, India, Korea, Pakistan, to mention only a few. So, currency devaluation or at least the conditions that lead to the necessity for devaluation inevitably increases the likelihood of loss of power by the governments undertaking devaluation. Of course, each country is unique in its economic, social and political structure and in its response to sharp changes which devaluation brings about in its domestic price structure and in its monetary relations with the rest of the world. The on-going debt rescheduling of Nigeria's external debt might give a temporary respite and postpone the harsher side effects of the depreciation of the naira till after the re-entry of the next civilian regime.

Specific Appraisals of SFEM

65. As the Chambers of Commerce, Industry, Mines and Agriculture rightly predicted during the IMF debate, many business enterprises that borrowed money from abroad are virtually bankrupt today, because of the introduction of SFEM. SFEM has reduced

domestic liquidity and reduced purchasing power of the consumers, so that producers and merchants, today, cannot make as much profit, if they make at all, as they were making before SFEM. Yet the naira amount of their foreign debt has escalated almost nine times, today, of what it could have been, say, in December, 1983. Many of the debtors earn fewer naira from their enterprises today than they earned in 1983. Thus, while business debts have increased several fold, the ability of business enterprises to repay the debts had diminished several fold since the introduction of SFEM.

66. Even though one of the advantages of SFEM and of drastic naira devaluation was supposed to be an increased inflow of foreign exchange, according to the CBN, the balance of payments showed a deficit of $561.1 million in 1986 in contrast to a surplus of $768.9 million in 1985, which meant that SFEM had no positive effect on foreign capital inflow in 1986. Between January and June, 1987, the CBN monthly report had the following to say about foreign capital inflows and outflows:

(a) January 1987: Foreign Exchange transactions through the Central Bank resulted in a net inflow of ₦932.6 million

(b) February 1987: Foreign Exchange transactions through the Central Bank resulted in a net outflow of ₦935 million

(c) March 1987: Foreign Exchange transactions through the Central Bank resulted in a net outflow of ₦554.5 million

(d) April 1987: Foreign Exchange transactions through the Central Bank resulted in a net inflow of ₦649.9 million

(e) May 1987: Foreign Exchange transactions through the Central Bank resulted in a net outflow of ₦197.7 million

(f) In June 1987, a net outflow of ₦262.9 million was recorded from foriegn exchange transactions through the Central Bank, bringing the accumulative foreign exchange loss from January to June, 1987, to ₦629.7 million. Consequently, the official reserves fell from ₦3,604.2 million at the end of December, 1986, to ₦2,974.5 million at the end of June, 1987. The Nigerian Business Concord of November 27, 1987, reported that autonomous foreign exchange into the country has declined, contrary to expectations that the poor performance of the US dollar in the International Market would stimulate dumping of the dollar for the naira. Alongside the decline in the inflow, exchange rates in the autonomous market have declined considerably to the extent that Nigeria's external reserve currently stand at about $700 million which does not inspire confidence at home or abroad.

67. The Federal Government and the Central Bank had unsuccessfully tried to stop the outlow of funds through stricter control of export proceeds, use of SFEM funds and control of other external transactions, all of which seem at variance with the policy of a regime that puts its faith in the market system, trade liberalisation and laissez-faire. Of course, the government and the CBN will soon realise that the market system and its laissez-faire anchor are doomed to fail. So, we can say that SFEM and FEM had failed to encourage an increased inflow of foreign capital, foreign investments and increased earnings from tourism to compensate for the flight of capital which SFEM and FEM seemed to have encouraged with consequent fall in the exchange rate value of the naira.

68. The fillip to non-oil exports which SFEM was designed to give had been more than wiped out by the substantial increase in the price of imports. The increases in the prices of industrial raw materials, of agricultural inputs and of transport and construction equipment resulted in increases in the cost of industrial and agricultural production as well as in the cost of transportation and construction. Although very substantial increases have occurred in the farm gate prices of export produce, especially cocoa, coffee and ginger, the fact that the Produce Marketing Boards were abolished and private marketers took over the purchases and export of the agricultural products made the monitoring of the foreign exchange earnings difficult. It is an open secret that the foreigners in our midst, aided and abetted by the most powerful Nigerians, even in the corridors of power, have dominated the export of non-oil exports, and are less than honest in repatriating their foreign exchange earnings. In fact, the Cocoa export trade, with which I am most familiar, is in such a state of chaos today that when it crashes in the immediate future, its doom will be greater than the oil doom that largely put Nigeria in the present state of economic predicament. Of course, any economist knows the problems conventionally associated with export-led growth in developing coun-

tries. That it leads to distortion in the domestic economic activities, causes crises in the world commodity prices and causes inflation at home without relief from abroad. Thus, a market economy in a developing country is inimical to both domestic and export markets.

69. In spite of the caveat expressed, SFEM has recorded appreciable gain with respect to non-oil exports. Let us again trace the behaviour of the earnings from the non-oil export market since SFEM was introduced, particularly since January, 1987. In January 1987, ₦373.5 million out of total foreign earnings of ₦2,059.9 million or 18.1 per cent was realised from non-oil exports and domiciliary accounts. It increased to ₦485 million out of ₦984 million in February (49.3 per cent). In March, out of foreign exchange earnings of ₦1,624.7 million non-oil export earnings amounted to ₦418.8 million (25.8 per cent). In April, non-oil exports accounted for ₦551.3 million out of ₦1,729.4 million (31.9 per cent). In May, ₦1,800.2 million was earned from abroad. Non-oil earnings amounted to ₦877 million (48.7 per cent). In June 1987, out of a total inflow of ₦2,061.7 million, ₦541.6 million represented non-oil receipts (26.3 per cent). So acumulative foreign exchange receipts in the first six months of 1987 totalled ₦11,117 million representing an increase of 175.3 per cent over the level in the first six months of 1986. Oil sector receipts totalled ₦7,764.1 million, representing 69.8 per cent and was 110.7 per cent higher than during the first six months of 1986. On the other hand, non-oil export receipts amounted to ₦3,352.9 million, that is 30.2 per cent of the total and represented an increase of 848 per cent over the level of the same period in 1986. Of course, the substantial increase in naira value was partly because the naira value today is about a quarter of what it was in 1986. In effect, non-oil export earnings was about double in real terms in the first half of 1987 of what it was in the first six months of 1986. Of course, much of the non-oil earnings accrued from non-agricultural exports. They derived from domiciliary accounts and repatriation of bank deposits abroad and from speculative transations whose effects may eventually be inimical to the attaiment of a stable growth of the economy.

70. *The Meaning of Strcutral Adjustment*

Which brings us to the crucial issue of the Structural Adjustment Programmes and its effects on the economy. If the intention of SAP and FEM was to adjust the structure of the Nigerian Economy, we have to understand what the structure of the economy is. One cannot agree more with Dr. Ezeife in his article in Management In Nigeria of May/June 1987, that structure is the interrelation of all parts of the economy and at macro level, the structure of an economy is its composition as seen through shares (or proportions) of the various component parts or economic aggregates in the total sum of goods and services produced in a year, that is the GDP. Let us select the industrial origin of the GDP, for instance, as in table 5. It appears to me that SAP and SFEM deal more with manipulating the exchange rate value of the naira than in structurally transforming the Nigerian economy from essentially primary producing to industrial one, from essentially exporting primary products to mostly local processing to increase value added and thus create more jobs, for, how else can one explain that the government is privatising the economy, knowing fully well that the private entrepreneurs will rather trade than invest more in manufacturing and in agriculture which take longer to gestate. How else can one explain the avalanche of retrenchment, retirement and rationalisation of labour in all the sectors of the economy, public or private, other than in terms of reducing the volume and value of the GDP and possibly of reducing gross capital formation (see table 5B, item 3) and increasing its trade component rather than its industrial component? How can new industries be set up or existing ones expanded at the current naira exchange rate of imported inputs in the face of inadequate domestic industrial inputs? The questions could be asked ad infinitum. It does not appear to me that we are engaged yet in the real structural adjustment but only in the illusory search for the real exchange rate of the naira and in a sudden unrealistic and unplanned attempt to source local raw materials for diminishing industries.

71. When we are serious with structural adjustment of the Nigerian economy, we will

(i) emphasise full and gainful employment of all the human and material resources in Nigeria and stop retrenchment, retirement and rationalisation of productive labour.

(ii) control and regulate the activities of the operators in the Nigerian economy rather than leave them to market forces:

(iii) collectivise, rather than

with the existing Nigerian Constitution, be in the hands of the public authorities rather than in private hands;

(iv) reduce the cost of loanable funds to increase incentive to invest. That is the rate of interest will drastically fall to not more than 8—10 per cent in palce of the current 18—22 per cent;

(v) Curb the activities of foreign entrepreneurs, including foreign governments, the IMF, the World Bank and their minions, in the operations of the Nigerian economy, so that we can indigenise the economy and have endogenous rather than exogenous control of the economy;

(vi) Curb the activities of the private Nigerian entrepreneurs, many of whom had always cornered public institutions and bent public treasuries to serve the ends of private profits. Few of the rich private entrepreneurs and private corporations in Nigeria, today, had become rich and successful except through inflated public contracts, outright stealing of public funds, fraudulent conversion and other similar malpractices. We must not hand over the Nigerian economy to the same group of private buchaneers in the guise of privatisation of public enterprises;

(vii) abolish FEM and operate a managed currency system through which true and realistic exchange rate of the naira can be determined and sustained. Few governments today leave the determination of the values of their currencies to market forces. The values are sustained and regulated by their Central Banks, the public treasuries and by joint action of friendly governments, as is currently happening to the US Dollar whose external value is being desperately assisted by the six other Western Industrial nations;

(viii) Stop all foreigners from operating in the export market and nationalise the external trade of Nigeria so that all the earned and earnable foreign exchange will accrue to the public coffers;

(ix) restructure the public finance of the entire governmental system so that the local and the state governments will have a larger share of the national revenue instead of continuing to concentrate unusually large percentage of it at the Federal Government level. The structrue of the economy cannot change along modern and desirable lines unless and until there is economically defensible division of labour among all the three levels of government in Nigeria. That is, instead of privatising most of the federal corporations and state owned companies, they should be shared among the Federal, State and Local Governments with appropriate institutional arrangements, control and management evolved; and

(x) reduce the on-going external commitments of Nigeria to the creditors, to OPEC, to external technical assistance and to foreign governments that seem to have got control of the economy since 1986. We need a period of about ten years during which time Nigeria should put its house in order in the same way as Britain imposed on itself the Navigation Acts, France and Germany imposed on themselves Cameralism, USA imposed on itself isolationism, Turkey imposed on itself Kemalism; and USSR and China imposed on themselves iron/bamboo curtains. Nigeria's economy is too fragile to remain free to all at home and abroad. It cannot grow to become self-reliant and survive unless it changes and modifies its present direction and makes planning an effective tool of control.

What to do with the Naira

72. It has been argued that low FEM funding has been largely responsible for the weakening naira since September, 1986. This is partly true. Between September 26 and December, 1986, a total of $896.1 million was sold during the 13 SFEM biddings held. The amount of dollars sold represented only 38 per cent of the foreign exchange earned by Nigeria during the period. Between January 1 and November 19, 1987, only 42.1 per cent of total foreign exchange earnings was spent to fund SFEM/FEM. There is no likelihood of an appreciable increase in the level of funding of the auctions because of the commitments of the governments. Even if the funds were increased, speculators banks and private exporters who derive benefits from a continuing depreciated naira will not permit any significant appreciation in the exchange rate of the naira unless through intervention by the Central Bank and the Federal Government. Few countries in the world have enough foreign exchange to stabilise the values of their currencies at auctions similar to ours. Few countries have ever implemented SFEM/FEM type of transactions without ruining the value of their currencies and without ultimately abandoning the method of exchange rate determination, Nigeria can hardly be the exception.

73. Therefore, the FEM should be abolished. The existing naira should be replaced by a new Naira, possibly called "Nigeriana" and be revalued

privatise, the economy and find the correct modus operandi for making public enterprises pay. In other words, we will encourage more state control of the economy at the local, state and federal levels so that the commanding heights of the economy will, in accordance as France revalued her once discredited old Franc. Two of the present naira should exchange for one new Naira (Nigeriana). The New Naira should exchange for one US dollar, which means a naira revaluation of about 100 per cent so that instead of the current value of ₦4.2348 to one US $1, it will not exceed ₦2 = $1. Compared with the 1973 value of ₦1 = $1.2 dollars, the new naira would have depreciated by about 58 per cent. Similar exchange rate values should be struck with the pound Sterling, the Mark, the Franc, the Guilder and the Yen. The value of the new naira should move in sympathy with the exchange rates of these main Nigeria's trading basket of currencies in accordance with the IMF prescriptions for varying the external value of a nation's currency. To facilitate easier international exchange rate and currency tranactions, there should be a conscious effort to make the new naira convertible to the major currencies in the foreign exchange makret. It is the inconvertibility of the naira since 1965 that had made it a non-traded currency and that had progressively reduced its international value and accetability. The value of the new naira would then be supported by the Central Bank and the Federal Government in the same conventional ways as other more stable currencies are supported and propped up by their respective governments.

At a period when countries that are more industrial and more developed then Nigeria are taking collective measures to defend their economies and stabilise the exchange rate values of their currencies through international organisations like the meeting of the seven major Industial nations (Venice Economic Summit, JUne 8—10, 1987), Nigeria cannot afford to leave the value of its currency to the uncontrollable interplay of demand and supply in an unstable and unsympathetic world of today. Nigeria has gained nothing from the unstable value of its naira. It will gain nothing from leaving its value to flactuate as it has been since September 29, 1986. The wisest option open to Nigerian monetary authorities, therefore, is to end FEM and SAP as at present conceived and return to the path of sanity by pursuing the conventional method of the determination of the exchange rate value of the naira.

PROF. SAM A. ALUKO IS A RETIRED PROF. OF ECONOMICS. HE RETIRED FROM O.A.U ILE—IFE

Table I

Naira Exchange Rate: The Value of ₦1 in Terms of One Unit of the Following Currencies: 1973 - 1987

Year	Date	US Dollar	Pound Sterling	West German Deutsche Mark	Swiss Franc	French Franc	Dutch Guilder	Japanese Yen
1973	Jan. 2	1.2000	0.5000	-	-	-	-	-
	June 30	1.2000	0.5000	-	-	-	-	-
	Dec. 31	1.2000	0.5000	-	-	-	-	-
1980	Jan. 2	1.8290	0.8009	3.6856	2.9874	7.6744	3.5280	439.6941
	June 30	1.8372	0.7850	3.2479	2.9967	7.6599	3.5541	396.8175
	Dec. 31	1.8367	0.7850	3.6856	3.3363	8.5094	3.9957	381.5100
1981	Jan. 2	1.8367	0.7850	3.6856	3.3363	8.5094	3.9957	381.5100
	Jan. 16	1.8737	0.7850	3.9093	3.5440	9.0110	4.1154	374.4450
	JUNE 5	1.5712	0.7850	3.6817	3.2107	8.8018	4.0838	345.4000
	Dec. 31	1.5732	0.8219	3.5262	2.8265	3.5262	3.8587	340.3045
1983	Jan. 22	1.4885	0.9097	3.5510	2.9877	10.1307	3.9187	341.6680
	June 30	1.4449	0.9375	3.6588	3.0546	10.2371	4.1217	311.2206
	Dec. 31	1.3359	0.9234	3.6577	2.9350	11.0980	4.0972	312.8678

(Continued on page 45)

MANAGING YOUR HEALTH

HEADACHE

THIS is a term that we are all familiar with because almost all of us have experienced a headache at one time or the other in our life time. A small percentage of people, actually less than 5% have never experienced headache in their life and seem incapable of experiencing it! Lucky them! To enable us understand and cope with headaches better, a definition is given of it as "any pain or ache experienced in the head". For most types of headaches a cause can be found which may not require the services of a doctor, but a small number can be serious as it serves notice of a deadly disease. But thank God these types of headaches are not many!

It is necessary to state that while the pain has to be felt in the head, the cause may be elsewhere in the body. Examples include problems affecting the eye, nose, teeth, jaws, the neck, chest and abdomen. The mind may also play its part and produce headache from tension in the scalp and neck, mental tension or disturbance, social tensions from family, friends, business, beliefs, hard drugs like hemp and even drugs prescribed by doctors, indulgence in alcohol and even sexual intercourse are known causes! Patients with mental disturbance describe their headaches in such clear terms that sound convincing like "someone is driving and twisting a knife inside my brain". If only they knew that the brain itself cannot feel pain because it has no pain fibres! Fevers, colds and other infections, cough, constipation, high blood pressure are also causes. At the last count, over 200 different diseases that cause headache were listed!

A headache may be tolerated for as long as it allows the individual to carry on his routine work. Most headaches cannot be tolerated because they may be so intense that holding the head still to prevent the constant "splitting" inside does not help. It may make the person want to vomit or even faint. The headache may be located at a particular spot in the head or may affect the whole head. The location does not always tell where the problem is in the head. The number of times the headache occurs and the intensity, point at its severity. The degree of incapacitation too is a pointer. A headache which wakes up the patient from sleep or prevents sleep is a serious type that must be reported to a doctor as soon as possible as it may be one of those few types earlier mentioned that may be due to serious disease in the brain.

The most intense headache experienced is that which may follow sudden bursting of a blood vessel inside the brain, or infection of the coverings of the brain called meningitis. This is felt like a ton of bricks falling on the head of the person! It causes the patient to faint, vomit or even convulse. Noise and even light affect the person and aggravate the headache.

For most types of headaches, two tablets of aspirin or any of the many drugs sold in the market are sufficient to contain them. For the other types of headaches that will not respond to these drugs further investigation may be necessary by your doctor before treatment can be appropriately given. These include Migraine; headache following head injury after a road traffic accident; headache in hypertension; headache of cancer inside the head and psychological headache.

Certain characteristics are observed in headaches associated with some medical diseases. In migraine, hypertension and ruptured blood vessels in the brain, the headache is throbbing and pulsating. Emotional disorders usually produce a sensation of tightness with a gripping band like feeling round the head. Following head injury or brain tumour a steady dull headache is encountered. It is necessary to state that the bone of the skull, the brain substance itself and the coverings are not sensitive to pain although the blood vessels that carry blood to the brain called arteries are. These arteries are the avenue through which many types of headaches are produced.

Steps to combat headache

These can be grouped into two:

(i) General health measures

(ii) Specific measures

General health measures

Prevention is the watchword here: personal hygiene and a clean surrounding are important. Control of infections like malaria, colds, sore throat, pneumonia, infection of the sinuses called sinusitis should be effected as soon as possible by consulting the doctor or the dentist. Coughing, sneezing, constipation or straining of any sort should be avoided or treated quickly and adequately because they provoke an increase in pressure in the brain and worsen the headache. Poorly fitting glasses should be corrected.

Specific Measures

It is not a sign of strength to suffer in silence, so do something about your headache if it afflicts you. Two tablets of the commonly available tablets taken after a meal will usually deal with it in an adult. If it does not go away after three to four hours you should consult the doctor, who may give you a medical checkup to establish that nothing is amiss or ask you to do some tests before giving you a clean bill of health.

The specific measures for the other types of special headaches will be tackled under their names in subsequent articles.

This article will be followed by another on *"Migraine"* a more severe type of headache.

PRIVATISATION AND COMMERCIALISATION OF GOVERNMENT ENTERPRISES IN NIGERIA

WE bring you the full details of the privatization and commercialisation of public enterprises as a follow up to that published in Vol. 24, No. 2 of March/April, 1988, page 27.

The Nigerian Federal Military Government has formally lifted the hood over the rumours of her privatization and commercialisation policy when it published the privatisation and commercialisation decree no. 25 of 6th July, 1988.

Privatisation

Definition

"Privatisation" means the relinguishment of part of all of the equity and other interests held by the Federal Military Government or its agency in enterprises whether wholly or partly owned by the Federal Military Government, and "privatise" shall be construed accordingly.

(a) All enterprises specified below shall be fully privatised in accordance with the provisions of the Decree.

FULL PRIVATISATION

Enterprises in which 100% of equity held by the Federal Military Government shall be fully provatised

1. Nigeria Hotels Limited
2. Durbar Hotel Limited
3. Aba Textile Mills
4. Central Water Transportation Company Limited
5. National Cargo Handling Limited
6. Nigerian Dairies Company Limited
7. Nigerian National Fish Company Limited
8. Nigerian Food Company Limited
9. National Grains Production Company Limited
10. National Poultry Production Company Limited
11. National Root Crops Production Company Limited and other such food production companies
12. Nigerian National Shrimps Company Limited
13. New Nigerian Salt Company Limited
14. National Fruit Company Limited
15. National Salt Company Limited, Ijoko
16. Specomill Nigeria Limited
17. South-East Rumanian Wood Industries Limited, Calabar
18. Nigerian-Rumanian Wood Industry Limited, Ondo
19. Nigerian Yeast and Alcohol Company Limited, Bacita
20. Nigerian Film Corporation
21. National Freight Company Limited
22. National Animal Feed Company Limited Port-Harcourt
23. Opobo Boat Yard
24. Madara Dairy Company Limited, Vom
25. Ore/Irele Oil Palm Company Limited, Ondo
26. Okomu Oil Palm Company Limited Bendel
27. National Livestock Production Limited
28. Road Construction Company of Nigeria Limited
29. National Film Distribution Company Limited
30. Nigeria Ranches Company Limited, Kaduna
31. Impressit Bakolori Nigeria Limited
32. North Breweries Limited, Kano
33. Nigerian Beverages Production Company Limited
34. West African Distilleries Limited
35. Nigeria Engineering Construction Company Limited
36. Tourist Company of Nigeria Limited (Ownefs of Federal Palace Hotels).
37. Electricity Meters Company Limited, Zaria
38. American International Insurance Company Limited
39. Guinea Insurance Company Limited
40. Sun Insurance Company Limited
41. Unit3d Nigeria Insurance Company Limited
42. United Nigeria Life Insurance Limited
43. Niger Insurance Company Limited
44. Mercury Assurance Company Limited
45. Crusader Insurance Company Limited
46. Royal Exchange Company Limited
47. NEM Insurance Company Limited
48. Law Union and Rock Insurance Company Limited
49. Prestige Assurance Company Limited
50. British American Insurance Company Limited
51. West African Insurance Provincial Company Limited
52. Manchok Cattle Ranch
53. Mokwa Cattle Ranch
54. Poultry Production Units in Jos, Ilorin and Kaduna
55. Kaduna Abattoir and Kaduna Cold Meat Market
56. Bauchi Meat Factory and Galambi Cattle Ranch
57. Minna Pig Farm
58. Kano Abattoir Company Limited
59. Umuahia Pig Farm
60. Giant Cold Store, Kano
61. Ayip-Eku Oil Palm Company Limited
62. Ihechiowa Oil Palm Company Limited
63. Sokoto Integrated Livestock Company Limited
64. Motor Engineering Services Company Limited
65. Flour Mills of Nigeria Limited

66. Nigerian Yeast Alcohol Manufacturing Company Limited
67. Nichemtex Industries Limited.

PARTIAL PRIVATISATION

ALL enterprises specified in the first column of the table below shall be privatised to the extent specified in the third column.

PART 1—ENTERPRISES IN WHICH EQUITY HELD SHALL BE PARTIALLY PRIVATISED

Enterprises	*Present Federal Government Holding %*	*Maximum Federal Government Participation as % of Equity (after privatisation)*
Commercial and Merchant Banks		
Savanah Bank of Nigeria Limited	51 34	Present holding to be maintained
Union Bank of Nigeria Limited	51 67	Present holding to be maintained
United Bank for Africa Limited	45 76	Present holding to be maintained
International Bank for West Africa Limited	50	Present holding to be maintained
Allied Bank of Nigeria Limited	51	Present holding to be maintained
Continental Merchant Bank Limited	51	Present holding to be maintained
International Merchant Bank Limited	60	Present holding to be maintained
Nigeria Arab Bank Limited	60	Present holding to be maintained
Nigeria Merchant Bank Limited	60	Present holding to be maintained
First Bank of Nigeria Limited	44 8	Present holding to be maintained
NAL Merchant Bank Limited	20	Present holding to be maintainted
Merchant Bank of Africa	5	Present holding to be maintained
Agricultural, Co-operative and Development Banks		
Federal Mortgage Bank of Nigeria	100	Not more than 70% by the Federal Government and its agencies
Nigerian Industrial Development Bank Limited	100	Not more than 70%
Nigerian Bank for Commerce and Industry Limited	100	Not more than 70%
Federal Savings Bank	100	Not more than 70% by the Federal Government and its agencies.
Oil Marketing Companies		
Unipetrol	100	Not more than 40%
National Oil and Chemical Co Limited	60	Not more than 40%
African Petroleum Limited	80	Not more than 40%
Steel Rolling Mills		
Jos Steel Rolling Mill	100	Not more than 40%
Katsina Steel Rolling Mill	100	Not more than 40%
Oshogbo Steel Rolling Mill	100	Not more than 40%
Air and Sea Travel Companies		
Nigeria Airways Limited	100	Not more than 40%
Nigeria National Shipping Line Limited	100	Not more than 40%
Fertilizer Companies		
Nigerian Superphospate Fertilizer Company Limited	100	Not more than 40%
National Fertilizer Company Nigeria Limited	70	Not more than 40%
Paper Mills		
Nigeria National Paper Manufacturing Company Limited	64 03	Not more than 40%
Nigeria News Print Manufacturing Company Limited	100	Not more than 40%
Nigeria Paper Mills Limited	100	Not more than 40%
Sugar Companies		
Savannah Sugar Company Limited	75 4	Not more than 40%
Sunti Sugar Company Limited	90	Not more than 40%
Lafiaji Sugar Company Limited	70	Not more than 40%
Cement Companies		
Ashaka Cement Company Limited	72	30%
Benue Cement Company Limited	39	30%
Calabar Cement Company Limited	68	30%
Cement Company of Northern Nigeria Limited	31 53	30%
Nigeria Cement Company Limited, Nkalagu	10 72	10%
Motor Vehicles and Truck Assembly Companies		
Anambra Motor Manufacturing Company Limited	35	Present holding to be maintained
Leyland Nigeria Limited	35	Present holding to be maintained
Nigeria Truck Manufacturing Company Limited	35	Present holding to be maintained
Peugeot Automobile of Nigeria Limited	35	Present holding to be maintained
Volkswagen of Nigeria Limited	35	Present holding to be maintained

Steyr Nigeria Limited	35	Present holding to be maintained

MODE OF PRIVATISATION

1. All shares of enterprises to be privatised under the Decree shall be offered for sale in the Nigerian Capital Market.
2. All offers for sale of shares under subsection (1) of this section shall be by public issues except when the Federal Military Government, on the advice of the Technical Committee, decides that the shares of any affected enterprises should be sold by private placements

7-1 Subject to any direction of the Federal Military Government, the shares of the enterprises to be privatised under this Decree shall be allotted in accordance with the provisions of subsection (2) of this section

2. Not less than 10 *per cent* and not more than 20 *per cent* of the total shares on offer shall be alloted to associations and interest groups such as, but not limited, to State investment agencies, workers, trade unions, market women organisation, universities, friendly societies, local and community associations, provided that in the case of an over-subscription not more than 1 *per cent* of the shares on offer shall be alloted to each State through its investment agency.
3. The remainder of shares not distributed in accordance with subsection (2) of this section shall be sold to the public in such manner and at such amounts as may be determined by the Allotment Committee of the Securities and Exchange Commission and approved by the Federal Military Government.
4. The allotment of shares under subsection (2) of this section shall give priority to subscriptions by workers and management as well as non-management of the particular enterprises to be privatised.
5. Not more than 10 *per cent* of the shares on offer shall be reserved for the staff of the company.

2 Notwithstanding the provisions of any enactment and without prejudice to the generality of section 1 of the Decree, the control, management and composition of the Boards of Directors of privatised enterprises shall as from the date of privatisation reflect the ownership structure of the enterprises.

COMMERCIALISATION

Explanation

"Commercialisation" means the reorganisation of enterprises wholly or partly owned by the Federal Military Government in which such commercialised enterprises shall operate as profit-making commercial ventures and without subvention from the Federal Military Government.

Full Commercialisation

All enterprises specified below shall be fully commercialised in accordance with the provisions of the Decree.

1. Nigerian National Petroleum Corporation.
2. Nigerian Telecommunication Limited (NITEL).
3. Associated Ores Mining Company Limited.
4. Nigerian Mining Corporation.
5. Nigerian Coal Corporation.
6. National Insurance Corporation of Nigeria
7. Nigeria Re-Insurance Corporation.
8. National Properties Limited.
9. Tafawa Balewa Square Management Committee.
10. Nigenan Ports Authority.
11. African Re-Insurance Corporation.

12 —(1) All enterprises specified below shall be partially commercialised in accordance with the provisions of this Decree.

Part I—Partial Commercialisation

1. Nigerian Railway Corporation.
2. Nigerian Airport Authority.
3. National Electric Power Authority.
4. Nigerian Security Printing and Minting Company Limited.
5. All the River Basins Development Authorities.
6. National Provident Fund.
7. Ajaokuta Steel Company Limited.
8. Delta Steel Company Limited.
9. Nigerian Machine Tools Limited
10. Federal Housing Authority.
11. Kainji Lake National Park.
12. Federal Radio Corporation.
13. Nigerian Television Authority.
14. News Agency of Nigeria

IMPLEMENTATION

For the purposes of implementation, the Federal Military Government has established a Technical Committee on Privatisation and Commercialisation with the objective of ensuring a thorough implementation of Government's policy.

Further Information

Full information on the Privatisation and Commercialisation of Government Enterprises can be found in Decree No. 25 of 6th July, 1988, which is a supplement to the Official Gazette Extra-ordinary No. 42, Vol. 75.

GUIDELINES ON DEBT CONVERSION PROGRAMME FOR NIGERIA

2. RULES AND REGULATIONS

2.1. Eligible Foreign Debt(s)

At the initial phase of the programme, the only class of debt that would be eligible for conversion shall, in the meantime, be the Central Bank of Nigeria Dollar denominated Promissory Notes issued under Central Bank of Nigeria Circular of April 1984, and promissory notes issued by Federal Ministry of Finance and Economic Development. Later, the programme may be extended to cover any other foreign currency denominated debt of maturity greater than 365 days owed to commercial banks by the Federal Republic of Nigeria or the Central Bank of Nigeria. The decision to make any class of debt eligible shall rest with Debt Conversion Committee and will be taken in the light of developments under the programme.

2.2. Eligible Transaction Categories

In the application of the Naira proceeds from debt conversion, the only three categories of application that would be entertained by the Committee would be:

(i) Conversion to cash for the purpose of making a gift/grant to Nigerian entities.

(ii) Conversion for expansion or re-capitalisation of investments in privatised enterprises.

(iii) Conversion for investment in completely new projects.

2.3. Priority within Eligible Transaction Categories

Within the eligible transactions stated in 2.2. above, the following economic activities will be given priority in the following order:

(i) Investment in production processes based on at least 80 per cent local raw materials, especially in the development of agriculture and agro-allied industries, production for export and production of raw materials, and other requirements of local industries.

(ii) Investment with high employment content.

(iii) Investment for extracting, exploiting and commercialisation of Nigeria's mineral, forestry and other natural resources.

(iv) Investment that will seek to improve or use existing inventions and discoveries in Nigeria relating to new machinery, new products or new processes or with technology component appropriate or adaptive to the Nigerian situation.

2.5. Eligible Participants

All legitimate holders or appointees of designated debt(s) including Nigerians and foreign nationals whether corporate bodies of individuals, resident or non-resident, shall be eligible to participate in the debt conversion programme provided that the foreign exchange required for the purpose of promissory notes and/or other foreign debts from an original or a previous holder originated from abroad and not from foreign exchange purchased on FEM or in other way from Nigeria. The enterprise(s) financed with the redemption proceeds is (are) registered as Nigerian enterprise(s) under existing company laws at the time of the transaction.

2.7. Protection of Foreign Investment

Any approved investment made from the proceeds of conversion under the Nigerian DCP shall be recognised as investment made in foreign currency like any other and accordingly will benefit from approved status, for the purpose of such matters as tax treatment and repatriation of dividends and capital subject to the remittance restriction clause in paragraph 2.8. below.

(i) Interest income, profits/dividends, patent licence fees and other invisibles connected with approved projects under the DCP shall not be repatriated for a minimum period of five (5) years from the date of release of redemption proceeds for actual investment or five years after such profits/dividends are made or paid whichever is later.

(ii) Any capital proceeds arising from subsequent disposal of the investment made under the programme cannot be repatriated for a minimum of ten (10) years after effective investment of the proceeds.

(iii) Repatriation of capital after 10 years shall not exceed 20 per cent per annum.

2.9. Transaction Commission

A transaction commission payable in U.S. dollars and equivalent to 2.5 per cent of the discounted value of the debt to be converted shall be payable to the discounted value of the debt to be converted shall be payable to the Central Bank of Nigeria (CBN) by the redemptor. The U.S. dollar commission shall be payable to CBN account with the Federal Reserve Bank of New York N.Y., or any foreign bank as may from time to time be designated by the CBN.

2.10 Financing of Off-Shore Costs of Projects

The Naira proceeds of Nigeria's DCP shall be applicable only to the local cost of the project in which the investment is made. All off-shore costs of the DCP projects shall be provided by the redemptor. The ability to provide the off-shore cost shall be a condition precedent to any debt equity conversion. Such additional foreign capital investment shall be accorded all the privileges of foreign investment in Nigeria under existing laws.

2.11. Taxation of profit and dividend

Taxation of profit and dividend arising from approved DCP projects shall be in accordance with the existing tax laws in Nigeria at the time such profits and dividends are declared.

3. APPLICATION PROCEDURE

3.1.1. Prospective participants whether corporate or non-corporate, national or foreign must obtain the prior consent or approval in principle of the Debt Conversion Committee in order to qualify for participation.

3.1.2. All such applications shall be made to the Chairman of the Debt Conversion Committee at the committee's Secretariat located at the Central Bank of Nigeria, Tinubu Square, P.M.B. 12194, Lagos.

3.1.3. The Secretariat shall acknowledge in writing or by attested Cable to the applicant or his agent(s), the receipt of completed application within three (3) working days of the date of receipt of the application.

3.1.4. Application for approval in principle will be processed on case by case and on first come first served basis

3.1.5. The Committee will meet at least once every two weeks (and more often as dictated by the volume of work to review and approve applications)

3.1.6. The approval or rejection of an application must be communicated to the applicant and/or his agent(s) within four (4) weeks of the receipt of such application

3.1.7. The Committee shall not be under any obligation to give reasons or justifications for approval or rejection of any application and its decision shall be final

3.1.8. Incomplete or defective application(s) will be returned for modification or applicant or his agent(s) will be required to submit additional information

3.2. Required Information

the application to the Debt Conversion Committee shall contain the following information

(i) Detailed identity of applicant and where applicable, detailed identity of agent(s) in Nigeria.

(ii) Information pertaining to applicant's business should include

— nature and type of current business activity
— and particulars of incorporation,
— Capital and volume of operations,
— business conducted in or with Nigeria;
— other investment/operations/activities in Nigeria;
— nature and volume of business intended to be conducted in Nigeria with proceeds of proposed conversion.

(iii) Previous experience, if any, in debt conversion with particulars of volume and nature of business done with profile of actual investment performance in other DCP countries (if any).

(iv) Undertaking of acceptance of and adherence to the guidelines contained herein.

(v) Beneficiary or recipient of conversion proceeds and whether it is an existing organisation or a new company to be specifically organised for debt-equity conversion programme.

(vi) In the case of foreign persons or entities, particulars of agent(s) or representative(s) in Nigeria. Copies of mandate/agreement between the applicant and the agent(s) whether a person or body corporate, certified by a court declaration or a notary public. Agreement must contain details of agents, including detailed instructions for handling and delivery of conversion proceeds.

(vii) Any other verifiable information or references which could facilitate decision making on the application.

4. CONVERSION PROCEDURE

4.1. Auction

The method of debt conversion shall be by auction. However, the DCC can, at is discretion approve an application for conversion on its own merit.

4.2. Eligible Bidders

All redemptors who have received approval in principle or their agents are eligible to participate in monthly auction to bid for the amount offered by the DCC for the month

4.3. Conversion Procedure

An approved prospective redemptor or his agent(s) shall submit bid form(s) to the DCC at its Secretariat located in the CBN, giving particulars of the promissory note(s)/debt instrument(s) to be redeemed. The redemptor or his agent(s) may submit up to two alternative bids at an auction. If both bids are successful, the more beneficial bid to Nigeria shall be taken as his bid for the auction.

4.4. Bid Schedule

— Bid forms will be provided by the DCC Secretariat at the CBN, Tinubu Square, Lagos.
— Bid will be received up till 11.00 a.m. and the auction will take place at 12 noon on last banking day of each month (or any other designated day). The auction, amounts to be redeemed, and relevant conditions will be announced ten banking days before the date of the award.
— Bid process will be handled by the DCC Secretariat.

4.5. Bidding

— Bids will be delivered to the DCC Secretariat at the CBN and such bids will specify the discount offered as percentage of the face value of the debt to be redeemed.

— The DCC Secretariat reserves the right to reject any irregular bid.

4.6. Award

— Bids will be ranked in decreasing order of discounts offered.

— The right to redeem will be awarded by discount rank until the monthly allocation is exhausted. If two or more bids offer the same discount and the balance of monthly allocation is insufficient to cover both, that balance will be distributed *pro rata* among the two or more bids in respect of offers at the same price. Award will be made to a successful bidder at his bid price (discount).

— The DCC may set a reserve price above which no deal can be effected.

— Redemptors or their agents will be informed of bid award by telephone or telex within 2 working days of the close of the auction.

— Within 5 banking days of date of notification, the conversion commission due from successful bidders must be paid to the U.S. dollar account of the CBN at the Federal Reserve Bank of New York. Redemptors who fail to comply within the requisite time period will forfeit their allocations.

4.7. Exchange Rate

The applicable exchange rate shall be the effective FEM rate at the time of the auction and this shall be applied to the successful redemptor's bid price in the calculation of the Naira proceeds.

4.8. Delivery of Debt Instrument for Conversion

The redemptor(s) or his agent(s) will deliver the promissory note(s)/debt instrument(s) for conversion to Chase Manhanttan Bank.

N.A., New York, within 10 working days of the auction in which his bid is successful. If a redemptor fails to deliver the debt instrument(s) to Chase within the stipulated time, he forfeit his allocation in the auction.

4.9. Provision of Redemption Proceeds

Upon the confirmation of receipt of promissory note(s) /debt instrument(s) by Chase Manhattan through attested telex to the DCC the CBN will provide the Naira proceeds directly to a designated blocked account at the CBN in favour of the redemptor. The redemptor or his agent will be promptly informed.

4.10. Blocked Account and Release of Funds

Naira proceeds of converted promissory note(s)/debt instrument(s) will be kept in a blocked account at the CBN and released in tranches to the redemptors bank according to the cash needs of the approved project(s) as approved by the DCC.

4.11 Cancellation of Redeemed Promissory Note(s)/ Debt(s)

After redemption, the DCC will advise Chase Manhattan Bank to cancel the notes and surrender them to the DCC. Where the amount of debt to be converted is less than the face value of the promissory note(s) submitted for cancellation, Chase Manhattan Bank shall issue a fresh promissory note in the amount of the unredeemed balance to the redemptor.

5. APPROVED STATUS

5.1. Pursuant to the provision of sub-sect on 14(2) of the SFEM Decree, the DCC shall within 14 days of the conversion of dollar denominated promissory notes into Naira, issue a Certificate of Capital Importation in the usual way, and upon which the Federal Ministry of Finance and Economic Development will in turn issue Approved Status Certificate.

5.2. In a similar manner, separate certificate of capital importation shall be issued for additional importation of foreign exchange either in cash or in the form of machinery and equipment, *et cetera*. Which constitutes the off-shore cost of approved debt-conversion projects.

6. MONITORING

6.1. Designated Redemptor's Bank

The blocked conversion proceeds held at the CBN shall be released to the designated redemptor's bank in dividends approved by the DCC from time to time. The redemptor's bank shall open only one special account for every redemptor into which funds released from the blocked account shall be credited for the prosecution of the approved project(s). The redemptor's bank operated by it. Such report shall include all the import and other foreign exchange transactions of the enterprise/company in which the redemption proceeds have been invested. It shall also include its source of foreign exchange outside the FEM including inter-bank market.

6.2. No Access to Foreign Exchange

All such designated debt conversion accounts shall have no access to FEM without the prior authorisation of the DCC. The enterprise/company in which redemption proceeds have been invested should lodge information about all their import and other foreign exchange transactions with the DCC.

6.3. documentation

The DCC shall maintain at all times at its Secretariat, a list and amount of all existing Promissory Notes. The Committee shall also maintain a list and amount of all cancelled promissory notes following conversion. It shall also maintain a comprehensive record of all projects financed with debt conversion proceeds.

(Continued from page 36

TABLE 3

The Number of Naira that Exchanged for a Unit of the following main currencies under the First-tier Foreign Exchange Market September 26, 1986 – June 22, 1987

Year	Date	US DOLLAR	POUND STERLING	Deutsche Mark	Swiss Franc	French Franc	Dutch Guilder	Japanese Yen
1986	Sept26	0.6373	0.4441	1.3033	1.0570	4.2683	1.4737	98.5266
	Sept30	1.6010	2.3004	0.7930	0.9774	0.2441		0.0104
	Oct 15	1.7838	2.5663	0.9029	1.1032	0.2756		0.0116
	Oct 17	1.8387	2.6431	0.9298	1.1336	0.2839		0.0119
	Oct 22	1.9142	2.7440	0.9646	1.1787	0.2946	0.8533	0.0124
	Oct 29	2.0132	2.8507	0.9905	1.1994	0.3030	0.8864	0.0126
	Oct 31	2.0542	2.8861	1.0033	1.2109	0.3074	0.9064	0.0128
	Nov 26	2.4432	3.4852	1.2302	1.4780	0.3734	1.0873	0.0151
	Dec 3	3.0005	4.2998	1.5238	1.8301	0.4652	1.3482	0.0185
	Dec 10	2.5954	3.7192	1.2958	1.5348	0.3924	1.1351	0.0160
	Dec 24	2.5954	3.7192	1.3201	1.5826	0.4008	1.1691	0.0160
	Dec 31	2.5954	3.7192	1.3327	1.5157	0.4024	1.1805	0.0160
1987	Jan 7	2.5954	3.7192	1.3546	1.6120	0.4068	1.1988	0.0164
	Jan 14	2.5954	3.7192	1.3850	1.6489	0.4146	1.2280	0.0167
	Jan 28	2.6483	4.0731	1.4741	1.7556	0.4406	1.3078	0.0175
	Feb 25	3.0175	4.6424	1.6480	1.9512	0.4951	1.4613	0.0196
	Mar 6	3.1407	4.9749	1.7130	2.0322	0.5149	1.5172	0.0205
	Mar 18	3.3036	5.3006	1.8013	2.1536	0.5416	1.5921	0.0218
	Apr 2	3.7188	5.9126	2.0306	2.4266	0.6101	1.8009	0.0253
	Apr 16	3.4302	5.5998	1.8977	2.3037	0.5703	1.6829	0.0242
	Apr 30	3.4734	5.7746	1.9421	2.3685	0.5816	1.7195	0.0250
	May 15	3.5088	5.8983	1.9696	2.3805	0.5900	1.7457	0.0252
	June 4	3.5000	5.6998	1.9295	2.3411	0.5781	1.7136	0.0245
	June22	3.7375	6.0771	2.0395	2.4508	0.6112	2.2005	0.0292

SOURCES: Central Bank of Nigeria:

Annual Reports 1986

Monthly Reports January – June 1987

On June 22, 1987, the First-tier and the Second – tier Foreign Exchange rates merged. Since then, the there has been only one tier system called Foreign Exchange Market (FEM).

Table 4

NAIRA FIRST-TIER AND SECOND-TIER FOREIGN EXCHANGE RATES: SEPTEMBER 26, 1986 - JUNE 22, 1987

Value of $ to Naira

Year	Date	1st Tier	2nd Tier
1986	26/9/86	1.5691	4.6174
	1/10/86	1.6171	5.0585
	9/10/86	1.7004	3.4999
	16/10/86	1.8064	3.9101
	23/10/86	1.9384	3.1775
	30/10/86	2.0387	3.8525
	6/11/86	2.1441	3.6000
	13/11/86	2.2548	3.4993
	20/11/86	2.3469	3.4599
	27/11/86	2.4679	3.4945
	4/12/86	2.5954	3.0005
	11/12/86	2.5954	3.2000
	18/12/86	2.5954	3.3000
1987	8/1/87	2.5954	3.4422
	15/1/87	2.5954	3.5547
	22/1/87	2.5954	3.7002
	29/1/87	2.6483	3.8719
	5/2/87		3.9412
	12/2/87	2.9283	3.0151
	19/2/87	2.9577	3.9246
	26/2/87	3.0175	3.9246
	5/3/87	3.1407	3.8241
	12/3/87	3.2373	3.9195
	19/3/87	3.3367	4.0203
	2/4/87	3.4388	3.7375
	16/4/87	3.4388	3.9384
	30/4/87	3.4734	4.0403
	14/5/87	3.5088	4.1617
	5/6/87	3.5088	4.3637
	19/6/87	3.7375	3.7375
	22/6/87	3.7375	3.7375

Source: Central Bank Annual Report and Central Bank Monthly Reports Jan. - June, 1987.

(Table 1 continued)

1984	Jan. 2	1.3359	0.9234	3.6270	2.9083	11.2115	4.0778	309.6616
	June 30	1.3093	0.9375	3.6406	3.0278	11.1814	4.1007	307.0309
	Dec. 31	1.2423	0.9132	3.8586	3.1822	11.8484	4.3567	307.5935
1985	Jan. 2	1.2046	0.8844	3.8586	3.2392	11.7554	4.3813	310.8244
	June 30	1.1172	0.8669	3.8586	2.8522	10.3816	3.8387	278.0152
	Dec. 31	1.0004	0.6945	2.5414	2.1332	7.8011	2.8648	205.2326
1986	Jan. 2	1.0004	0.6935	2.4377	2.0614	7.4690	2.7428	201.1150
	June 30	0.8529	0.5606	1.8901	1.5442	5.9307	2.1236	141.1307
	Sept.26	0.6373	0.4441	1.8901	1.0782	4.8152	1.4737	102.8839
	Sept.29	0.2166	0.1509	0.4347	0.3592	1.4490	0.5007	33.4448
	Dec. 31	0.3853	0.2987	0.7017	0.6392	2.5012	0.8611	49.2610
1987	Jan. 2	0.3853	0.2987	0.7617	0.6392	2.5012	0.8611	49.2610
	Apr. 30	0.2879	0.1732	0.5149	0.4222	1.7194	0.5816	40.9836
	June 30	0.2684	0.1660	0.4908	0.4076	1.6383	0;5524	39.2157
	Sept.30	0.2368	0.1446	0.4327	0.3575	1.4397	0.4328	35.2200
	Nov. 19	0.2361	0.1331	0.3973	0.3266	1.3482	0.4476	31.9480

Sources: Central Bank of Nigeria, Annual Report and Statement of Accounts 1973-1986: SFEM Bidding reports, Business Times since September 29, 1986.

Table 2

The Number of Naira that exchanged for a Unit of the following main currencies under the Second-Tier Foreign Exchange Market biddings: September 26, 1986-November 19, 1987.

YEAR	Date	US Dollar	Pound Sterling	West German Deutsche Mark	Swiss Franc	French Franc	Dutch Guilder	Japanese Yen
1986	Sept.26	4.6174	6.6269	2.2578	2.7874	0.6900	1.9972	0.0299
	Oct .2	5.0839	7.3462	2.5180	3.1056	0.7688	2.2278	0.0330
	Oct .9	3.5175	5.0001	1.7605	2.1600	0.5380	1.5581	0.0228
	Oct.16	3.9297	5.6588	1.9907	2.4317	0.6078	1.7622	0.0254
	Oct.23	4.1985	6.0102	2.1172	2.5632	0.6452	1.8685	0.0268
	Oct.30	3.8719	5.4497	1.9187	2.3171	0.5870	1.6941	0.0242
	Nov. 6	3.6181	5.1666	1.7538	2.1017	0.5380	1.5555	0.0222
	Nov.13	3.5169	5.0098	1.7419	2.0984	0.5325	1.5435	0.0219
	Nov 20	3.4773	4.9343	1.7339	2.6869	0.5295	1.5329	0.0214
	Nov 27	3.5721	5.0258	1.7666	2.1183	0.5395	1.5627	0.0215
	Dec 4	3.0156	4.3214	1.5315	1.8393	.4675	1.3550	0.0186
	Dec 11	3.2161	4.5926	1.6012	1.9138	0.4887	1.4162	0.0198
	Dec 18	3.3166	4.7411	1.6464	1.9504	0.4983	1.4546	0.0203

(continued next page)

(Table 2 continued...)

Year	Date	U.S. Dollar	Pound Sterling	West German Deutsche	Swiss Franc	French Franc	Dutch Guilder	Japanese Yen
1987	Jan 8	3.4422	5.0686	1.7849	2.1248	0.5360	1.5826	0.0218
	Jan 15	3.5547	5.3480	1.9388	2.3128	0.5808	1.7202	0.0233
	Jan 22	3.7002	5.6354	2.0104	2.3965	0.6027	1.7327	0.0241
	Jan 29	3.8719	5.9947	2.1819	2.6038	0.6537	1.9355	0.0257
	Feb 5	3.9412	6.0005	2.1721	2.5734	0.6511	1.9324	0.0258
	Feb 12	3.0151	4.5784	1.6566	1.9566	0.4975	1.4672	0.0196
	Feb 19	3.9246	6.0086	2.1411	2.5271	0.6427	1.9005	0.0252
	Feb 26	3.9246	6.0380	2.1499	2.5592	0.6458	1.9033	0.0256
	Mar 3	3.8241	5.9847	2.0761	2.4632	0.6239	1.8394	0.0249
	Mar 12	3.9195	6.2418	2.1073	2.5093	0.6327	1.8664	0.0255
	Mar 19	4.0203	6.4606	2.1897	2.6140	0.6580	1.9375	0.0265
	Apr 2	3.7375	5.9426	2.0407	2.4388	0.6132	1.8099	0.0254
	Apr 16	3.9384	6.4294	2.1789	2.6450	0.6548	1.9320	0.0278
	Apr 30	4.0403	6.7170	2.2590	2.7551	0.6765	2.0002	0.0291
	May 14	4.1617	6.9501	2.3185	2.8215	0.6954	2.0577	0.0297
	June 4	4.3637	7.1063	2.4056	2.9189	0.7287	2.4056	0.0306
	June18	3.7375	6.0771	2.0395	2.4508	0.6112	2.2005	0.0258
	June22	3.7375	6.0771	2.0395	2.4508	0.6112	2.2005	0.0258
	July 2	3.9899	6.4537	2.1821	2.6276	0.6541	1.8620	0.0272
	Jul 16							
	July30	3.8991	6.2366	2.0985	2.5360	0.6311	1.8520	0.0250
	Aug 13	4.0405	6.3880	2.1370	2.5724	0.6403	1.8968	0.0267
	Aug 27	4.1212	6.6681	2.2594	2.7402	0.6767	2.0331	0.0288
	Sept10	4.1918	6.9039	2.3262	2.8086	0.6954	2.0675	0.0295
	Sep 24	4.2227	6.9147	2.3107	2.7974	0.6946	2.0599	0.0292
	Oct 8	4.2533	6.9904	2.3325	2.7955	0.7007	2.0728	0.0293
	Oct 22	4.2989	7.0867	2.3653	2.8451	0.7085	2.1032	0.0297
	Nov 5	4.3432	7.6180	2.5503	3.0935	0.7488	2.2674	0.0318
	Nov 19	4.2348	7.5126	2.5170	3.0621	0.7417	2.2342	0.0313

SOURCES: Central Bank of Nigeria:
Annual Reports 1986
Monthly Reports Jan - June 1987: and
SFEM Bidding Statements in
Business Times, Lagos, July - November, 1987.

Management IN NIGERIA

₦4.00

ISSN 0025—178X

July · August, 1988

NIGERIAN INSTITUTE OF MANAGEMENT
(for progress and prosperity)

MANAGING THE ECONOMY OUT OF RECESSION.

Monetary and fiscal policy to boost Nigeria's Economic recovery.

The role of public and private sectors in achieving a Buoyant economy

Conference Summary and Resolutions — Centre Spread


SUPER
BLUE
OMO
Washes brighter
... and it shows
SUPER BLUE
OMO
Washes brighter ... and it shows.
Super Clean! Super Bright! For that extra clean and bright wash all you need is Super Blue Omo. A handful of Super Blue Omo goes a long, long way! That is because Super Blue Omo has more concentrated power than any other blue detergent. Use Super Blue Omo for the whole family wash. It makes everything not just cleaner but also brighter.
You can actually see the difference
Medium ₦2.20


International Paints
nigerlux
GLOSS
International Paints (West Africa) Limited
nigerlux
stands out!
For Prestige and lasting colour on
important projects
NIGERLUX – the architect's 1st choice.
Prices: Gloss — ₦73.12 per 4 litres
Emulsion — ₦60.75 per 4 litres
International Paints
(West Africa) Limited
Oba Akran Avenue, P. O. Box 67, Ikeja.
Tel. 901690, 901691, 901692, 901693, 901694

MANAGEMENT in Nigeria

Journal of

NIM

VOL. 24, NO. 4
July/Aug. 1988

MANAGEMENT IN NIGERIA is published bi-monthly by the Nigerian Institute of Management, Plot 22, Professional Centre Layout, Idowu Taylor Street, Victoria Island, P.O. Box 2557, Lagos. (Cables and Telegrams NIMROD LAGOS) and printed by Sera Printing Ltd P.O. Box 678, Apapa, Lagos. Copies of the journal are available to all members of the Institute and obtainable by members of the public through subscriptions.

Managing the Economy Out of Recession

by Chief S. B. Falegan

Some have gone to the extent of calling the period between 1980 and 84 as a period of Depression, more severe than a Recession. While the recession has been defined as "a sustained and widely diffused decline in the rate of growth of real aggregate economic activity relative to its long-term trend", depression represents "a period of low general economic activity marked by mass unemployment, deflation, a decreasing use of resources and a low level of investment".

Not only are the problems sordid, but are an amalgam of a number of problems that faced the Nigerian economy as to warrant such fundamental changes and approaches in policy thrusts that mark a break with the past... page 36.

Monetary and Fiscal Policy to Boost Nigeria's Economic Recovery

By Dr. M. S. Umoru

The private sector has been rendered unable to contribute significantly to the attainment of self-reliance in the supply of goods. A simple example is the cash cheque reported in 1986 to have been sent to the front-line states. If we are seriously concerned about industrializing this country and if it is true that the money sent to the front-line states was for the repairs of the buildings affected by the South Africa raid, why was it necessary to send cash? Whey did the government not create employment at home with the money by paying naira currency to local building materials manufacturers and ship them to the affected front-line state?... page 45.

Role of Public and Private Sectors in Achieving a Buoyant Economy

Dr. C. P. Ezeife

After the Great Debate, the "Political Bureau" wrote its substantively capitalistic recommendations in Socialist Language. But the decision makers were able to disentagle the "internal contraditions" and make decisions following the substantive recommendations. Again, after years of debates and waverings, privatisation and commercialisation have become accepted policies and they are already being implemented. The main case for privatisation in Nigeria has been cut down wastages of public funds and only those who prefer public wastage to private (taxable) gain, can still hold out against the policy.

Instead of sinking funds in areas where Governments, the world over, have demonstrated and accepted their incompetence and failure, why not use the funds to develop economic infrastructures and welfare programmes?

page 53

EDITORIAL

LEADING THE WAY

DELE OSUNDAHUNSI — *Editor, Management-in-Nigeria*

IN this edition of the journal, we have articles proferring solutions to our economic misfortune. One of them has specifically declared that increased productivity is the answer. Another has supported by calling on Government to create favourable fiscal environment for increased productivity. They are all saying that we need to work harder but that the Nigerian worker must be motivated or encouraged to increase his output. But can a working force which is always finding itself in labour disputes with its management increase its output? Are labour disputes not generally outbursts of dissatisfactions? Then, who is to remove the obstacles to this? This editorial says that Managements must unrobe themselves of their arrogance and lead the way to economic boom.

In recent times, it has become quite common for labour unions to declared industrial disputes with their Managements before their demands are met. One of such pragmatic cases was that of the Nigerian Railway Corporation workers who blocked all the level crossings in Lagos because as at the middle of August, their July salaries had not been paid. Two days into the industrial dispute, the salaries were paid. If we could ask where did the Nigerian Railway Corporation Management find the July salaries? Why did it not pay them before the dispute? Another case was that of the NUBIFIE workers who declared an industrial dispute recently before their demands were met. Recently too, ASUU declared an industrial dispute before the elongated salary structure was implemented in the universities. Tomorrow, it would be POSSAN. Next day, it will be NULGE and so on and so forth.

Managements gave various reasons why they had to wait for such labour actions to overtake them before meeting the unions' demands. Some explained that they did not have the finance. Some argued in favour of procedural actions which are usually unnecessarily delayed particularly in the Public Service. Some considered some of the demands unreasonable initially but granted them at the end wholly or with amendments.

But come to think about it. Does this show good leadership on the part of various managements within the economy? Must they really wait for unions to demand before giving offers? If they do not want to be overtaken by

DELE OSUNDAHUNSI

such actions, have they the information that can enable them to understand economic situation and possible labour reactions to such situations?

Sincerely at the point at which we are now, managements must wake up towards forward-planning, research and above all to measures which depict them as leaders of the concerns rather than followers.

For example, since Government deregulated the banking industry and the Central Bank Governor specifically said that individual banks are free to choose their working hours, no bank has picked up the challenge of opening at week-ends or public holidays or even extending working hours till late in the day. This is probably because workers will have to ask for special allowances for working at week-ends and on public holidays.

Opening banks during the periods stated above will encourage neighbourhood banking rather than central city banking. For now, most workers bank near their places of work because of proximity. They sneak out of their offices at the expense of productivity to do some banking transactions. That explains why most banks are concentrated in the centres of the cities or the industrial areas whereas the residential areas have little or none. Take an example in Lagos where there is no single bank between Aguda, Masha, Ijeshatedo, Census, Aiyetoro, Adelabu, Itire, Coker, Orile up to Mile 2. This is an area covering nearly five square miles. Whereas, on Broad Street, Marina Street, and Nnamdi Azikiwe Streets, there are over thirty banks.

The result is that all residents of the areas mentioned above who work on the Lagos Island bank on the island because banks open from 8.00 a.m. to 1.30 p.m. Workers must have left home before the banks open and banks would have closed by the time they get back home. Look at the band-wagon effects of the situation. It forces everyone to go in the same direction and thereby causing traffic congestion. It depopulates the non-city centres thereby creating the conducive atmosphere for people of doubtful characters to break into residences during those hours. The depopulated areas are devoid of modern commercial activities because modern commercial activities revolve round monetary economies. Of course, the banks are enjoying the situation because workers have to use certain banks compulsorily even though their services are inefficiently inadequate. The banks seem to enjoy seeing a lot of customers in the banking hall rowdily waiting to do some transaction. The situation does not promote the MAMSER spirit? The Managements of banks must lead the way.

I forsee that in the next few months, workers will be asking for payment of weekly wages instead of monthly salaries. The economic situation demands this now. Managements should not wait until the labour unions have brought up this demand. One is aware of its administrative implications but its advantages are tremendous down the line of commerce, monetary circulation, value of money, pricing and so on and so forth. After all, Government herself has recognized that since there is instability in the global economy, it is reasonable to do the FEM bidding forthnightly. So workers should no be paid weekly wages in order to increase their purchasing power, credibility and chances of restoring hire-purchase system as well as adequate planning.

The essence of this editorial is to call on Managements all over to wake up towards research and forward-planning and be leaders and movers of ideas rather than as defenders of demands. Assuming this statutory role will only show that they are concerned with the welfare of their workers at large and that they posses vigilance which is an attribute of good leadership and on this occasion, a price of perpetual respect.

MANAGING THE ECONOMY OUT OF RECESSION

A background paper by:
PROFESSOR JAMES OGUNLADE
Director-General, NIM

INTRODUCTION: *The Scenario*

THE Nigerian economy has, since 1982, been going through serious difficulties in virtually every sector and every macroeconomic dimension. The anxiety of many policy makers and observers is that, like all terminal diseases, the problems appear to have been defying all proferred medicines. Every year, the same set of problems have been the focus of Federal and State Governments' budgets, seminars, symposia and workshops. Yet, the Nigerian economy is not stabilizing, developing and growing as it should be, having been caught up in a protracted recession. The manifested problems include the following:

- persistent balance of payments crisis
- stunted industrial sector
- acute labour unemployment
- price inflation
- persistence of illegal trade (smuggling)
- low labour productivity
- foreign control of the economy and vulnerability to external shocks
- over-dependence of the economy on imported goods and services
- declining oil revenue.
- too frequent changes of government policies or the stop-go syndrome
- unpredictability of political and economic environment
- absence of inter-sectoral linkages

THE CHALLENGES: *Survival*

In general, Nigerians are unhappy; in fact, alarmed at the present recessive state of the economy. Nigerians have not accepted the present downturn in the national fortunes as a permanent state. They expect a positive change in the conditions of the economy.

Consequently, the most pressing challenge of our time as a nation is that of national survival in the face of daunting economic and social odds. It is the task of using individual and collective wisdom to transform the recessed economy back to prosperity.

It is against this background that the Council of the Nigerian Institute of Management (NIM) and its various organs have chosen for the 26th Annual National Management Conference of the Institute the theme

'MANAGING THE ECONOMY OUT OF RECESSION'

with two sub-themes:

1. 'Monetary and fiscal policy to boost Nigeria's economic recovery', and
2. 'Role of public and private sectors in achieving a buoyant economy'.

Consequently, the key words in this year's conference themes are *Managing, Economy,* Recession, Fiscal, Monetary, Policy, Recovery, Public Sector, Private Sector and Buoyant.

In analysing the content of the themes of this conference, participants may need to address themselves to the following fundamental questions:

(i) What is meant by the term "managing" and how is this different from "administration?"

(ii) How can an economy be managed from waste to wealth?

(iii) What degree of bureaucratic management is admissible in an open economy?

(iv) What are special management problems of an economy under the strains of recession?

(v) Are Nigerians capable of managing their economy well?

(vi) If the answer to *(v)* is yes, what has gone wrong over the past years? If no, what can be done about it?

(vii) Do we lack adequate capital or is capital not the problem?

(viii) Do we, as a nation, have the necessary combination of labour skills for production and maintenance?

(ix) Why is the economy so dependent on external factors and we appear not to have the capacity to make a turnaround?

(x) Why are we so technologically dependent on Western Europe, America and Japan?

(xi) Why is it that we find it hard to translate several innovative researches into workable technologies?

(xii) Why is it that successive governments have found it easier to import experts from Europe and America rather than cultivate and build up a formidable stock of local specialists?

(xiii) Why is it that nearly everything that is of economic value is always short in supply after almost 3 decades of national independence?

(xiv) Why do most systems not function in Nigeria?

(xv) Why is the unemployment problem so acute inspite of the vast untapped natural resources in the country?

(xvi) What has been the impact of the quality and process of leadership on the polity and economy?

(xvii) Why have gigantic projects, involving millions of naira, such as Operation Feed the Nation, The Green Revolution, *et cetera,* failed without achieving their objectives?

In addition to covering the issues raised above, conference participants may want to focus attention on any of the following aspects of the theme and sub-themes of the conference.

MAIN THEME: *"Managing the economy out of recession"*

After over 27 years of national economic management experience and implementation of 4 National Development Plans; we, as a nation, should be able to reflect on our failures and success; and how the experiences of three decades can tide us beyond recession. We can, thus, ask the following questions:

(i) What is a recession?

(ii) Have we experienced a recession before 1982?

(iii) If the answer to *(ii)* is Yes, what have we learnt in managing the earlier recession/s? If No, what can we learn from the experience of countries in similar circumstances?

(iv) Why has our own recession lasted so long even though the Western world economy from where we contracted it has long recovered?

(v) What has been the place of crude oil in the whole affair?

(vi) What roles have the public and private sector organisations played to initiate and prolong the recession?

(vii) Is the administrative machinery of government adequate in leading the war against recession?

(viii) Are private sector firms inadvertently or deliberately prolonging the recession through their uncompromising profit-maximization policy?

(ix) Aren't some private sector firms patronizing smugglers in order to beat official rules?

(x) Why, inspite of our experience at plan formulation and implementation, are we still so under-developed?

(xi) What factors are responsible for the slow growth (and, sometimes) decline of national output?

(xii) Why is labour productivity so low and costs high in Nigeria compared to other developing countries?

(xiii) What is responsible for the relatively under-developed infrastructure and social overhead capital?

This list of issues is by no means exhaustive, nor is it designed to restrict the scope of the papers to be presented at the conference, the order of presentation, or the dialogue that would develop during the various sessions. Rather, it is indicative of the type of questions to which participants may wish to address their minds.

In addition to finding answers to the above highlighted questions, conference participants should focus attention on any of the following aspects of the sub-themes of the conference:

SUB-THEM I: *Monetary and fiscal policy to boost Nigeria's economic recovery.*

Monetary policy can be described as a combination of measures designed to deal with the discretionary control of money supply by the monetary authorities in an attempt to influence and re-order economic activities along desired ways. The objectives of monetary policy in Nigeria include:

(a) attainment of a high rate of employment;

(b) achievement of a high and sustained rate of economic growth and development;

(c) attainment of balance of payments equilibrium; and

(d) attainment of relatively stable general price level.

On the other hand, fiscal policy measures of the government have always been directed at tax and expenditure variables. Fiscal objectives of the government have been in the following general areas:

(a) expansion of agriculture and industry;

(b) reduction of price inflation;

(c) protection of local industries against unfair competition;

(d) enhancing government revenue; and

(e) import substitution with use of locally produced imputs.

Even though monetary and fiscal policies employ different instruments, they are mutually reinforcing in their effects on particular targets. A recessed economy usually has a combination of the following features: falling incomes, unsold stocks, excess capacity, acute unemployment, falling profits and widespread business failures. A wide variety of appropriate monetary and fiscal instruments can be combined to achieve faster recovery of the economy, e.g. expansionary policy designed to stimulate aggregate demand while moderating the influence of inflation.

It is obvious that an economy in recession will require, in addition to an appropriate dose of monetary and fiscal policy measures, an injection of innovative management in critical sectors of the economy. The following issues and questions are worthy of detailed examination:

1. What is the appropriate interest-rate structure that could guarantee a minimum growth rate of the GDP of 1.2 per cent set for 1988?
2. Is the revised tariff structure biased in favour of industrial production or in favour of importing goods?
3. Is the crucial issue of unemployment adequately accommodated in the government's fiscal and monetary policy provisions?
4. How can the standard of living of the people be enhanced by government policy?
5. Are domestic industries adequately protected against foreign competition?
6. How can government's fiscal policy be used to check and eradicate cross-border smuggling?
7. How can the foreign exchange rate policy be used to undermine parallel currency markets effectively?
8. In what way can government's credit policy be effective in raising capacity utilization in industry and to stimulate new capital formation?
9. Is Nigeria's tax base sufficiently diversified?
10. How can government's undue dependence on petroleum, as a source of revenue, be weakened overtime?
11. How can persistent deficits on the "Invissible" items of the balance of payments account be turned to a surplus?
12. How can Nigerian agriculture be modernized for faster recovery?
13. What about rural development and agro-allied industries? and
14. How can industrial dispersal to rural areas be achieved?

SUB-THEME II: *Role of public and private sectors in achieving a buoyant economy*

The recession would not have had such a devastating effect on all facets of our lives if we had imbibed a culture of sound management both in the private and the public sectors. Inspite of the huge revenue Nigeria derived from petroleum resources between 1973 and 1982, the country was virtually bankrupt by the beginning of 1984. What factors were responsible for this? How do we prevent a recurrence? A national accounting system that makes it easy for public officers to become multi-millionaires almost overnight cannot ensure sustained solvency and should be overhauled. Moreover, public sector forecasts diverge widely from targets principally because policies and planning are based on ad hoc and false premises. This is usually excused on the grounds that relevant information/data do not exist.

The bane of public sector planning is implementation. It is at this stage that things go wrong for a variety of reasons, including deliberate falsification in order to misappropriate public resources towards personal use (i.e. bribery and corruption). Furthermore, a buoyant economy can be assured if the government provides necessary infrastructures and public/social goods on which faster recovery can be based. These include adequate roads, constant supply of electricity, water, effective law and order, health, mass transit system, and telecommunication. With all these provided, productivity and workers' morale will be guaranteed to rise. Above all, there should be a relaxation of bureaucratic controls in the services as well as a stable political and economic environment.

The onus of responsibility is also heavy on the private sector organizations if faster recovery will be achieved. Firstly, the engine of growth needs to be internalized in the following ways:

(a) faster development and use of local raw materials and managers; and

(b) quality of home-made goods should be improved substantially.

Secondly, the private sector needs to respond more rapidly to economic opportunities by being more innovative and foresighted. Thirdly, research and development should be an integral part of every sizeable firm because it is a surer way of pushing ahead of competitors in the development of new and improved products. Fourthly, private sector organizations should be in constant communication with relevant organs of the government to foster cooperation. By so doing, government would be aware of the problems and needs of industry while industry (and agriculture) would appraise government of their grievances.

The private and public sectors are complementary arms of the same body. Hence, they need to exchange ideas on how the economy would run better for mutual survival. It is therefore, a major challenge of this conference to search for appropriate ways through which the private and public sectors can share responsibilities in order to facilitate a buoyant economy.

The following points are worthy of deliberation:

1. Shouldn't the public sector concentrate on the provision of public goods instead of dissipating scarce funds on private goods thus bringing itself in conflict with private sector organization?
2. Should the private sector finance education? If so, on what grounds?
3. What role can the private sector play in the development of a new revenue/foreign exchange earner after crude oil is depleted?
4. How can the private sector ensure a pollution-free environment?
5. What problems are involved in the development of local raw materials base?
6. How can labour productivity in

the public sector be improved?

7. How can project implementation be improved in the public sector?
8. Is bribery and corruption so endemic that it cannot be eradicated? What about nepotism and statism?
9. How can public sector accounting system be improved in order to minimize pilfering of public funds?
10. What are the obstacles to an export-led growth?
11. How can indigenous firms break into the export sector successfully?
12. Power failure, inadequate transport and telecommunication facilities and overcrowding in workers' homes have negative influences on labour productivity. How can the problems be solved?
13. Malaria fever is a national health problem and is a principal cause of low labour productivity. How can selective mosquito eradication programme be mounted as a national project?
14. A staggering amount of resources and labour time are wasted nationally as a result of individual worker spending enterprises time in collecting children from school in the afternoon. How can a *national* school bus service project be started as a cost-saving measure?
15. How can gasoline waste from traffic congestions be saved and energy conserved?
16. What can be learnt from Japan and the Western world about the care of pre-school-age children while parents are at work?

WHO SHOULD ATTEND THE CONFERENCE

Those who would greatly benefit from this conference and are accordingly invited are:

1. Government Officials
2. Senior managers in private sector companies, banking and finance, insurance, agriculture,, manufacturing and distribution trades.
3. Top functionaries in government, trade union, research institutes, the armed forces parastatals and public corporations.
4. Industrialists
5. Persons who have a strong commitment to their professional career development.
6. Managers willing to share their experience and knowledge with others.
7. Executives willing to experiment with alternative concepts/ideas.

CONFERENCE GOALS

This conference is designed to serve as a forum where senior managers from the public and private sectors concerned with the effective management of our scarce resources can

— Exchange views and experiences,
— examine existing and potential constraints/problems;
— share "success stories". and
— suggest positive strategies for a better managed economy.

CONFERENCE SPEAKERS

Three distinguished keynote speakers selected for the conference are:

— a distinguished economist and banker
— an accomplished industrialist and entrepreneur
— a business financier

They have been specially selected to give participants the benefit of their wealth of experience as policy-makers in both the private and public sectors.

CONFERENCE FORMAT

The conference is to have the following features:

(a) the opening address from the Chief Host and Vice Patron of the Institute in Ogun State, Colonel Raji Rasaki—the Military Governor of Ogun State;
(b) a distinguished chairperson for each of the three sessions;
(c) a question and answer period after each paper;
(d) committee sessions;
(e) a plenary session; and
(f) published conference summary and resolutions.

The published conference summary and resolutions will be distributed in July 1988 to those who will be responsible for the formulation and implementation of the relevant national and corporate policies emanating therefrom.

We hope that the ideas generated at this conference will be of immense interest to our ruler. Our nation will benefit from the frank and free sharing of views, knowledge and experiences between representatives of various sectors of the economy.

ACKNOWLEDGEMENT

This background paper has been made possible by the generous gift of time and effort of many people. First, my sincere thanks to Messrs Biodun Jolaoso, Dele Osundahuns and Mrs Patience Anabor who generously provided countless hours of debate and discussions on the issues expressed in this paper so that it could be put together in a thorough, accurate manner.

Second to Dr Oladipo Akano of the University of Lagos, who provided many of the ideas and the thrust for this paper.

Last, but certainly not least, to members of the Education, Training and Programmes Committee for their useful suggestions.

REFERENCES

1 Central Bank of Nigeria, "Economic and Financial Review" (Selected issues)

2 Central Bank of Nigeria, "Annual Report and Statement of Accounts", December 1984, 1985 and 1986

3 Federal Republic of Nigeria, "Budget Speech of the President", 1987, 1988

4 Nigerian Economic Society, "Self re'ant Strategies for National Development", Proceedings of the 1984 Annual Conference

5 Olayide, S O. (1976). "Economic Survey of Nigeria"

6 Olaloku, F A., *et al* (1976). "Structure of the Nigerian Economy"

7 Osagie, K. (1974). "Macro-economic relationships in an oil-producing less developed country Implications for Inflation Policy National Conference on Inflation

8. Uduebo, M A (1985). "The role of Monetary and Fiscal Policies in Industrial and Agricultural Development in Nigeria". "Economic and Financial Review", CBN

The Conference Theme is Timely

ONCE again, as the patron of the Nigerian Institute of Management (NIM), I have great pleasure in sending you this goodwill message on the occasion of your 26th Annual National Management Conference. Considering the role of management, especially good management in the government and well-being of any nation, society or organisation, I cannot but fully indentify myself with your annual efforts at organising these conferences, not only for the edification of your members, but also for the examination of the many problems that beset us as a nation, and with a view to seeking solutions to them. May I, therefore, congratulate you on this professional and patriotic duty which has positively distinguished your organisation as a worthy professional body.

2. I recall commending you last year on the aptness and relevance of the management themes of your conferences. Similarly it must be said that your theme for this year's conference-"Managing the Economy out of Recession"-cannot have been better chosen. As you are aware, our economy has been in deep recession since the last few years, following a global economic downturn and a sharp fall in our foreign exchange earnings from our major export sector—the oil sector. Since our economy is heavily dependent on imports, our dwindling foreign reserves could no longer sustain the massive import bills of the country. This situation led to a slowing down of economic activity, which manifested itself in reduced capacity utilisation, shortages of goods and services, retrenchments, increased unemployment and a lowering of the standard of living and the quality of life. This scenario was compounded by a heavy external debt burden, an increasing difficulty of access to external lines of credit, and an over-valued currency. Since our problems are, among other reasons, traceable to shortage of foreign exchange as a result of our over-dependence on a single export item (oil), it became mandatory that something should be done to restructure and diversify the productive base of the economy, as well as curb the import-oriented propensity of the nation. Herein lies the logic and relevance of the Structural Adjustment Programme (SAP) which this Administration introduced in mid-1986, to serve as the major framework in our attack on the current economic recession, as well as provide a longer-term solution to the kinds of economic distortions that could give rise to future recessions. You are, of course aware that the all-pervading ethical message of the SAP is self-reliance which is a necessary prerequisite for any meaningful expression of national or self pride and achievement.

3. The main features of the on-going Structural Adjustment Programme include the following:

(i) the establishment of a realistic external value for the naira, through the operation of a Foreign Exchange Market (SFEM/FEM);

(ii) the adoption of measures to stimulate domestic agricultural and industrial production, including non-oil exports;

(iii) the rationalisation of tariffs to grant protection to our local industries and thereby facilitate industrial growth and diversification;

(iv) movement in the direction of improved trade and payments liberalisation; *and*

(v) simultaneous reduction of complex administrative controls, with greater reliance on market forces for purposes of resource allocation.

It can be seen from the foregoing features of the SAP that the Programme represents a comprehensive and multi-pronged approach to the many problems associated with our economic recession. As Managers, whether in the private or public sector, it devolves on you to ensure that you give the implementation of the SAP your enthusiastic and full-hearted support so as to help achieve an early and full turnaround of our economy. The management of the economy, especially in the difficult times of a recession, should never be conceived as the sole responsibility of the Government. The organised private, sector, farmers, workers, trade unions, town unions and individuals should be involved as partners in progress with the Government. Indeed, the management process in such a situation specially requires the full mobilisation and commitment of all productive forces. MAMSER should, therefore, be seen as very apt and relevant in our current circumstances.

4. Managing an economy out of recession implies that there are inadequate resources (men, money and materials) at the disposal of the manager but that he must, perforce, use these limited resources to salvage or steer the economy out of recession and even propel it towards the path of growth. Such a situation calls for all the innovative

and original faculties of the manager since, being short on means, he must necessarily be long on expertise. For him, necessity becomes the mother of invention and he must be prepared to consider all available options in order to enhance his resourcesfulness in dealing with problems. He must be ready to improvise, to adapt and to modify. He must be diligent to conduct research and courageous to experiment. He must, above all, become more prudent in spending and more cost-conscious and cost-effective. He should also become sensitive about accountability. All these should result in greater efficiency in both the allocation and utilisation of scarce resources. You could, indeed, simply refer to the process as the management of austerity. There is no better time than now for the Nigerian manager to try to exercise himself in both the art and science of management for greater effectiveness and thereby acquire the sophisticated discipline and work culture that are necessary for ultimate industrial take-off.

5. Since the introduction of the SAP as our best strategy option in the management of our battered economy, a number of salutary developments have taken place in the economy. Following the operation of the Foreign Exchange Market, based mainly on market forces, a more realistic and fairly stable exchange value of the naira has emerged. The depreciation of the value of the naira from about ₦1.00 to US$1 to over ₦4.00 to US$1.00 has meant an increased naira content for our foreign exchange earning and thus, an enhanced revenue for the governments of the federation. The abolition of the obnoxious import licensing system and its replacement by the Foreign Exchange Market (SFEM/FEM) has meant an easier and readier access to foreign exchange by industry and this has led to improved capacity utilisation in some industries. The operation of the foreign exchange market has also led to a more efficient allocation of scarce resources, both in terms of consumption and investment. I need not over-emphasise to you the importance of the current exchange value of the naira in promoting exports, encouraging foreign investment and discouraging imports. The enhanced naira revenue of government have, for example, made it possible for the Federal Government to meet its local financial obligations, including the payment of over ₦1.1 billion in 1987 towards the liquidation of the verified arrears of local debts owed to contractors and suppliers. The State and Local Governments are also now able to pay salaries and wages promptly and even embark on new and essential projects. These, of course, have strong reflationary elements that are capable of stimulating the economy towards increased production and growth.

6. As a result of our courageous implementation of the SAP, we have been able to restore the confidence of the international business community in our economy and return our economic system to credit worthiness. In this connection, we were able in 1987 to reschedule our London and Paris Clubs debts, as well as our uninsured trade arrears, all of which amounted to well over US$14 billion. In outline, other measures that have been taken under the SAP, with a view to revamping our ailing economy include:

(i) the abolition of the Commodity Boards in order to improve the welfare of farmers through better and more competitive prices and thus stimulate production in the agricultural sector;

(ii) a vigorous export drive, especially with reference to non-oil exports, with a view to diversifying our export base and reducing our over-dependence on oil whose price is subject to enormous instability;

(iii) the fashioning of a tariff regime, aimed at giving necessary protection to our local industries and at encouraging local/backward integration; in certain cases outright bans have been imposed in order to further encourage and protect local production;

(iv) rural development is being dealt with in a deliberate and integrated manner through the activities of the Directorate of Food, Roads, and Rural Infrastructures (DFRRI);

(v) unemployment and the development of basic skills for the employment or self-employment of various categories of persons are being seriously attended to by the National Directorate of Employment (NDE);

(vi) Government is in the process of embarking on the privatisation and commercialisation of government-owned enterprises on a massive and comprehensive scale in order to ensure a more rational distribution of economic functions as between the private and public sectors, and in order to inculcate a commercial approach to the management of public enterprises;

(vii) because of the greater success achieved so far in demand management under the SAP, Government has in the 1988 budget introduced a special reflation package of ₦2.8 billion to help reflate the economy for recovery, growth and increased welfare of the people;

(viii) Government is reforming the Civil Service in order to make it more amenable and responsive to our national problems and, therefore, more result-oriented. In other words, Civil Service management is being revamped for greater effectiveness;

(ix) through a number of incentive measures and the dismantling, streamlining and reduction of various administrative

controls, Government intends to create a conducive investment climate and thereby increase the inflow of foreign capital for productive activity.

7. It is our hope and desire that the collective and cumulative effect of the above measures will help to get our economy quickly out of the woods. Already, our balance of payments position showed an improvement from a deficit of ₦796.4 million in 1986 to a surplus of ₦60.1 million in 1987. Our external reserves which remained low at ₦4.5 billion at the end of 1987, in relation to our foreign exchange requirements, appreciated to ₦4.75 billion in January, 1988. We are, however, reminded of the great task still ahead of us by the fact that our external debt build-up reached $24.5 billion at the end of 1987, as against $18.6 billion at the end of 1986. Nonetheless, we should feel happy that, as already alluded, some discipline and rationality have been infused into the economy, especially in the area of resource allocation. Our people are now more cost-conscious, spending the naira more judiciously than before. The abolition of ex-factory price control, import licensing, the Nigerian National Supply Company and the Commodity Boards has effectively eliminated the phenomenon of windfall profits as well as the sources of unearned income—thus causing energies and resources to be redirected to more productive endeavours. The Gross Domestic Product (GDP), at 1977/78 factor cost, increased by 1.2 per cent in 1987 as against a decline of 3.3 per cent in 1986, although this increase was much lower than the 6.8 per cent envisaged under the SAP. Performance in 1987 also showed a marked increase in non-oil exports, in terms of the traditional export items and new ones. Allocation of foreign exchange under the FEM has remained in favour of the industrial sector which, in 1987, has approximately 64.4% of the total allocation.

8. Despite the successes so far recorded in the management of our beleaguered economy, and the fact that these successes would not have been possible without your esteemed contributions as managers, I still wish to remind you that you should neither relax nor rest on your oars so that the gains already made may be consolidated and not be allowed to dissipate. As managers, we still have to remain conscious of the basic distortions and imbalances within the economy and seek solutions to them. Since my message to you last year, I have noted with delight the numerous exhibitions of indigenous technological innovations by our polytechnics and other institutions. I wish to suggest that it should be the duty of managers to identify, encourage and support all initiatives in the direction of inventiveness. I also wish to remind you that all those things in my last year's message which I enjoined you to do, in the spirit of innovative management, are still very relevant today for managing our economy out of recession. We still need to develop a conducive economic environment that can attract development capital. We still have to resolve to produce what we need, especially food and industrial raw materials, instead of depending on importation. And, having learnt to produce, we must also learn to patronise our products so that made-in-Nigeria goods should become the first priority of our patronage. We should strive to continue to improve the quality of our locally-made goods as well as endeavour to make them more cost-effective, more competitive and more affordable. We should combine economics with patriotism in waging a relentless war against smuggling and inflation. We should make the policy of deregulation work in practice by streamlining procedural processes, with a view to reducing the length of time in which meaningful business can be conducted in Nigeria. We must sue for improvement in our work ethics so that there would be a marked change in our work attitudes and habits—since these have great implications for return on investment. Since a buoyant economy should show movement towards full employment, we must work hard to create job opportunities through the initiation of more directly productive activities, especially in the private sector and, more especially, in the area of self-employment.

9. At this juncture, I wish to seize this opportunity to correct the wrong impression which some people seem to have developed, to the effect that "ending the SAP" means a reversion to the state of affairs before the Programme was introduced. This is far from being correct and I wish to assure you that the concept of "ending the SAP" simply means completing the programme of reforms embodied in the SAP package. Reforms are the essense of the SAP and the new spirit, direction and values which they will engender will live on to become the ground rules governing economic activities in our economy.

10. Ladies and Gentlemen, since all systems and concepts are conceived and operated by man who is also the principal determinant of their success or failure, I call on all of us, as managers, to resolve to be patriotic men of honour, honesty and integrity who, for the love of their fatherland, would not yield to any temptations to engage in acts of economic subversion and sabotage against the Nigerian economy. In such circumstance, I am sure that our sincere commitment and devotion to the cause of our economic redemption will be crowned with resounding success.

11. The Chairman of the Institute, distinguished participants, ladies and gentlemen, may I now conclude this message by wishing this Conference very successful and fruitful deliberations.

12. Thank you all.

GOODWILL MESSAGE FROM A MILITARY GOVERNOR

By Col. J. T. Ogbeha

FIRST of all let me thank the Council of the Nigerian Institute of Management and Members for the invitation extended to me to attend their 26th Annual National Management Conference. Exigency of duties and our new circumstances have made it impossible for me to be present at this great conference. However, I am sending you my best wishes and those of the Government and people of Akwa Ibom State.

We in Akwa Ibom State are aware of the important role management can play in revamping our national economy. We are aware of the changing and challenging roles of managers. We believe that modern managers must broaden their knowledge beyond the confines of technicalities. They must widen and update their understanding of the turbulent work environment which continually undergoes political, social, economic and technological changes. In this regard, the relevance and importance of the theme of your conference, "Managing the Economy out of Recession", cannot be overemphasized. It is common knowledge that in a typical recession, the production of goods and services declines, industrial expansion slows, unemployment increases and prices of consumer goods and stocks decline. To reverse this negative trend, it is apparent that the manager should acquire modern management skills that will enable him to help in ridding the economy of these unwholesome traits. It is my sincere hope that your Conference will be able to produce a core of management experts with similar awareness, consensus on management principles, and shared assumption about critical issues of management and development of this nation. You should, in your deliberations, prevent by your recommendations, the recession from worsening into a depression.

I congratulate you for organising this Conference and I sincerely hope that you will find the different themes and sub-themes exciting, very relevant and above all, purposeful. I wish your Conference fruitful and rewarding deliberations.

Good luck.

THE MANAGER AT A GLANCE

HE is considered to be someone who exercises various functions, such as planning, operating and controlling functions.

When he is *planning*, he is:
- — setting goals
- — organising people
- — allocating resources
- — systematising procedures

The result of these four processes is THE PLAN.

When he is setting goals, he is considering:
- — activities that can be performed simultaneously, and
- — activities that must be performed one after the other.

The process of setting goals offers the opportunity for assignments of tasks.

When he is *organising*, he is:
- — grouping the available personnel in technically viable units.

Such units may vary from a team with complementary capacities to a team of specialists. The choice to form these organisational units is a function of the goals, the environment and the available resources.

When he is *allocating*, he is:
- — distributing resources (money, men, materials, markets) to the various organisational subunits, with a view to the goals to be reached.

When he is *systematising*, he is:
- — defining the mutual relations between and inside the organisational units.

When he is *operating*, he is:
- — motivating
- — leading
- — directing
- — training
- — co-ordinating
- — doing

We must distinguish between the work that is to be done and the exercising of the function of a manager. Most managers are occupied with management as well as with execution, but when they are occupied with executive work they do not act in their capacity of manager.

★ When he is *motivating*, he is:
- — making the work meaningful so that they who must do the work will try to tune its execution to the goal of the work.

★ When he is *leading*, he is:
- — conducting the group

★ When he is *directing*, he is:
- — determining an alternative direction which a subordinate is allowed to choose in order to reach his specific subgoal

★ When he is *training*, he is:
- — assisting the worker to form better work concepts for the furtherance of the technical qualities of the work

★ When he is *co-ordinating*, he is:
- — tuning the various acts and means to the reaching of the common goal

★ When he is *doing*, he is:
- — executing the work which, for each organisation, forms the reason for its existence.

★ When he is *controlling*, he is:
- — monitoring utilisation of resources
- — monitoring progress of work
- — comparing actual performance with plan. The result of this comparison should lead to signalling of errors and deviations. Signalling deviations may activate the management to correct the problem.

Extract from: "A System Diagram of the functions of a Manager" by R. A. Goodman in the California Management Review (Vol. 10. 1968)

NIM WELCOMES NAL TO MANAGEMENT HOUSE

WE are indeed happy to welcome NAL Merchant Bank to Management House Victoria Island where has now opened a training school.

The establishment of a Training School according to the official was necessitated by the rising cost of training personnel abroad and the growing number of staff in need of specialised training. The Training School is aimed at inculcating the bank's own required skills, knowledge and attitudes in its employees as this will help increase staff output.

The Training School which is well equipped with modern facilities is at the moment being overseen by the General Manager Personnel and Human Resources, Mr. T. M. Dada.

Mr. T. M. Dada, General Manager Personnel and Human Resources Training & Development Merchant Bank

There is more to John Holt than meets the eye

The economic and commercial needs of the future of Nigeria offer immense challenges and opportunities to us all. John Holt Ltd is poised to participate fully in the re-birth of the Nigerian economy.

Over a hundred years of pioneering growth are encapsulated in today's John Holt Ltd Group - a balanced and still expanding complex of agricultural, manufacturing, processing, technical service and distributive activities.

ALLENS: One of Nigeria's leading distributors of Volkswagen and Mercedes Benz vehicles.

ALMARINE: Nigeria's biggest manufacturer of fibre glass fishing boats, deep sea trawlers, fibre glass roofing sheets and garden furniture.

AREWA BOTTLERS: Manufacturers of Pepsi-Cola Mirinda Orange and Teem Lemonade.

BAUCHI BOTTLING: Bottlers of Kobi soft drinks, and the complete Pepsi-Cola range of soft drinks.

HACO: Manufacturers of medicated and infant care products, and a complete range of perfumes, cosmetics and toiletries.

HOLT ENGINEERING: Assembles the world famous PETBOW generators.

HOLT EXPORT: Export of commodities.

HOLT FISHERIES: Helping Nigeria meet her protein needs through deep sea trawler fishing.

HOLT LEASING: Hires cars, light commercial vehicles and trucks supported by a full repair and maintenance operation and replacement vehicles.

HOLTPAK: Manufactures crown corks and plastic crates.

JOHN HOLT SHIPPING SERVICES: Experts in clearing and forwarding of sea and air freight, and ships agency.

JOHN HOLT VENTURES: Involved in the nationwide distribution of locally manufactured goods and imported essential commodities.

KADUNA BOTTLERS: Manufactures the complete Pepsi-Cola range of soft drinks.

LAGOS BOTTLERS: Bottles the complete Pepsi-Cola range of soft drinks.

OGBEMUDIA FARMS: Integrated farming.

STARTEK: Number 1 for airconditioning systems, cool rooms, deep freezers, bottle-coolers, refrigeration and fire fighting equipment.

WEST AFRICAN DRUG: A major distributor of pharmaceutical products.

YAMACO: Assembles portable YAMAHA generators, water pumps and multi purpose engines.

YAMAHA MANUFACTURING NIGERIA LTD: Assembles YAMAHA motorcycles.

JOHN HOLT LIMITED

Ebani House, 149/153 Broad Street, P.O Box 2508, Lagos.

INVESTING IN THE FUTURE

DIPLOMA PROGRAMME EXAMINATIONS AND REVISION TIME-TABLE

A. EXAMINATIONS—1988

The 2nd session of 1988 Examination for the Diploma Programme will be held:

ON: Wednesday & Thursday, (the 7th & 8th of Decembner, 1988)

TIME: 9.00 a.m.—11.30 a.m.) Each day
12.30 p.m.—3.00 p.m.)

CENTRE: Federal School of Arts & Science
Adeyemo Alakija Street, Victoria Island, Lagos.

DETAILED TIME TABLE—
WEDNESDAY, 7TH DECEMBER, 1988

Time	Subject
9.00 a.m.—11.30 a.m.	Communication Skills for Managers
11.30 noon—12.30 p.m.	Lunch Break
12.30 p.m.—3.00 p.m.	Principles of Nigerian Law

THURSDAY, 8TH DECEMBER, 1988

Time	Subject
9.00 a.m.—11.30 a.m.	Statistics for Managers
11.30 a.m.—12.30 p.m.	Lunch Break
12.30 p.m.—3.00 p.m.	Economics

ENTRY FORM:

Entry Form (N100 per candidate) is now available at the Institute.

ELIGIBILITY:

Only registered students of NIM are eligible to enter for the examination.

CLOSING DATE FOR REGISTRATION & ENTRY FOR EXAMINATION

Monday 27th November, 1988.

B. REVISION LECTURES—1988

Date: Monday 7th November to Saturday 19th November, 1988

Centre: NIM Management House
Plot 22, Idowu Taylor Street
Victoria Island, Lagos.

Time: Monday—Friday (5.30—7.30 p.m.)
Sturday (9.00 a.m.—4.00 p.m.).

Fees: ₦50 per candidate.

DETAILED TIME TABLE

Week—Days	Subjects	Time	Duration
Monday	General Principles of Nigerian Law	5.30—7.30 p.m.	2—hrs.
Tuesday	Communication Skills for Managers	5.30—7.30 p.m.	2—hrs
Wednesday	Economics	5.30—7.30 p.m.	2—hrs.
Thursday	Statistics	5.30—7.30 p.m.	2—hrs.
Friday	General Principles of Nigerian Law	5.30—7.30 p.m.	2—hrs.
Saturdays 1st Lesson	Communication Skills for Managers	9.00—11.00 a.m.	2—hrs.
2nd Lesson	Economics	11.00—1.00 p.m.	2—hrs.
Lunch Break	Lunch Break	1.00—2.00 p.m.	1—hr.
3rd Lesson	Statistics	2.00—4.00 p.m.	2—hrs.

DIPLOMA PROGRAMME EXAMINATIONS AND REVISION TIME-TABLE

A. EXAMINATIONS—1988

The 2nd session of 1988 examination for the Diploma Programme will be held:
ON: Wednesday & Thursday, (the 7th & 8th of December, 1988).

TIME: 9.00 a.m.—11.30 a.m.) Each day
12.30 p.m.—3.00 p.m.)

CENTRE: Federal School of Arts & Science
Adeyemo Alakija Street, Victoria Island, Lagos.

DETAILED TIME TABLE—
WEDNESDAY, 7TH DECEMBER, 1988.

Time	Subject
9.00 a.m.—11.30 a.m.	Accounting for Managers
11.30 a.m.—12.30 p.m.	Lunch Break
12.30 p.m.—3.00 p.m	Business Law

THURSDAY, 8TH DECEMBER, 1988

Time	Subject
9.00 a.m.—11.30 a.m.	Management (Principles & Techniques
11.30 a.m—12.30 p.m.	Lunch Break
12.30 p.m.—3.00 p.m.	Managerial Psychology

ENTRY FORM:

Entry Form (N100 per candidate) is now available at the Institute.

ELIGIBILITY:
Only registered students of NIM are eligible to enter for the examination.

CLOSING DATE FOR REGISTRATION & ENTRY FOR EXAMINATION:
Monday 27th November, 1988.

B. REVISION LECTURES—1988.

Date: Monday 7th October to Saturday 19th November, 1988
Centre: NIM Management House
Plot 22, Idowu Taylor Street
Victoria Island, Lagos.
Time: Monday—Friday (5.30—7.30 p.m.)
Saturday (9.00 a.m.—4.00 p.m.).
Fees: ₦50 per candidate:

DETAILED TIME TABLE

Week—Days	Subjects	Time	Duration
Monday	Accounting for Managers	5.30—7.30 p.m.	2—hrs.
Tuesday	Business Law	5.30—7.30 p.m	2—hrs.
Wednesday	Management (Principles and Techniques)	5.30—7.30 p.m.	2—hrs.
Thursday	Managerial Psychology	5.30—7.30 p.m.	2—hrs.
Friday	Accounting for Managers	5.30—7.30 p.m.	2—hrs.
Saturdays 1st Lesson	Business Law	9.00—11.00 a.m.	2—hrs.
2nd Lesson	Management (Principles and Techniques)	11.00—1.00 p.m.	2—hrs.
Lunch Break	Lunch Break	1.00—2.00 p.m.	1—hr.
3rd Lesson	Managerial Psychology	2.00—4.00 p.m.	2—hrs.

PRESIDENTIAL ADDRESS

By

Dr. Christopher Kolade, FNIM
President of the Institute and Chairman of Council

I welcome you all to another Annual National Management Conference—the 26th since the Nigerian Institute of Management was born in 1961. It is with particular pleasure that I welcome you back to Abeokuta, the headquarters of the Government of Ogun State, and the seat of our highly respected and revered Kabiyesi, Oba Lipede, the Alake of Egbaland. We have been here before. Our National Management Conference in 1984 was held in this city, and many of us still carry vivid memories of that productive and enjoyable meeting. It is a clear measure of our enjoyment and satisfaction on that occasion that we are here again, no soon after the last time.

As we all know, Abeokuta was one of the earliest gateways through which western civilization passed into Nigeria. With well over 135 years of continuous contact and interaction with the western world, it is hardly surprising that Abeokuta and her sons and daughters have a habit of taking the lead in matters which have to do with Development and modernisation.

And yet, indigenous culture and tradition are equally strong elements of the life of the people of Egbaland, who inspite of the sophistication and finesse of their communication, still treasure their folklore, their music and ceremonies, and the fundamentals of their identity as a people. It cannot be altogether an accident that this particular cradle of Nigerian history is also the "native place" of our most distinguished former Ambassador of Nigeria to the United Nations, of our most active and internationally sought—after former Head of State, and of Africa's first and, so far, only, winner of the Nobel Prize for Literature.

Of course, we know that we come here now at a time when things are, as they say, rather "tight", a time when our national economy is deep in the throes of a recession. We are confident that this fact, by itself, will not in any way diminish the magnitude or warmth of your traditional hospitality. However, beyond that, we are here in the hope that history will say that Abeokuta, in 1988, was the setting for the management conference which produced some of the best suggestions and action plans for overcoming Nigeria's economic difficulties.

For our main concern at this conference, we have selected the theme **Managing the Economy out of Recession**—and I know you will agree that this is very much an issue of the moment. It is particularly instructive to remember that our conference theme in 1969 was. **Planning for Prosperity**. One year later, we discussed **Management Strategy for a Rapid Growth in Nigeria**. By 1984, when we first came to Abeokuta, we were concerned with **Sound Strategies and Programmes for Economic Survival**: and the Kano three years ago, our conference deliberated on the **Management of Limited Resources for National Self-Sufficiency**. Certainly, we have always tried our best to address the issue of the particular moment.

We at the NIM believe that the people of Nigeria are now sufficiently familiar with the phenomenon of economic recession, and that we have proved, in the last two years anyway, that we can manage our economy *in* a depression. Now, it is time to think postively and strongly about the measures which we must take to engineer our way *out of* our present situation. Our theme at this Annual National Management Conference expresses our confidence that the economy of our country *will* emerge from this recession. It also announces our conviction that *Management* is the key to the achievement of that objective. No one who has watched the declining fortunes of our national economy since 1980 can fail to be impressed by the managerial performance of the present Administration. The Structural Adjustment Programme, in its conception, is a reflection of a deep and thorough grasp of the real root-causes of our economic distress. SAP is also a manifestation of immense courage on the part of the Government of President Babangida—the courage to expose the problems in their horrendous dimension, but also, the will to apply the bitter pill of reform without flinching. Above, all, we must look with respect and admiration upon the method and process by which the Nigerian people have been led to abandon a status of meed dependence on external hand-outs and to accept the inevitability of self-imposed discipline as a basis for economic self reliance.

However, let us not also miss perhaps the most important point in all this. The Nigerian people also deserve maximum respect and admiration for their acceptance of SAP and all its attendant hardships. This acceptance is the most vivid expression of our loyalty to our country, and of our willingness to believe that the present dark tunnel of self-denial has a light of true economic self-reliance shining at the end of it. The people's loyal acceptance must never be taken for granted, nor must its importance be under-estimated. Indeed, SAP itself cannot succeed in its fundamental objectives unless the people's participation is continuously nurtured with sensitivity and good faith.

Our theme at this management conference recognises the importance of participation by all parts of our society in bringing our economy out of recession. In our first sub-theme, we acknowledge the role which Government must play in setting the programme and providing the framework and infrastructure for performance. At the same time, our second sub-theme delibrately calls attention to the need for the full involvement of all, whether in the public or private sector, in the task which lies ahead of us. I have no doubt that we will have a very stimulating conference.

Military Governor, sir, my second task this morning is to invest you formally with the insignia of office as a Vice-Patron of the Nigerian Institute of Management. As you know, the President himself, General Ibrahim Badamasi Babangida, is our National Patron, and his interest in our Institute and his ready response to all calls which we make on him, have always given us tremendous encouragement.

Here in Ogun State, I am sure that you are as pleased as I am to note that we have a very active Branch of the NIM, based right here in Abeokuta. It is also worthy of special note that managers from the public sector have usually taken the leadership role in the Abeokuta Branch of the Institute. The Branch is now in its eighth year of existence having been launched on the 2nd of August, 1979. There was a short lull between 1984 and 1985, when the then Chairman of the Branch retired from the public service and the Branch Secretary went on transfer to Lagos. However, I am pleased to report that the Branch is now moving ahead on full stream once more, with its current Chairman, Mr. Oye Ositelu, and its Secretary, Mr. B. K. Odutayo, in charge. Once again, both of these officers of the Branch are managers in the Public Service of Ogun State.

Although I call attention to the contribution which public servants are making to the NIM here in Abeokuta, this situation is by no means unusual. In many of the Institute's 17 Branches throughout Nigeria, public service managers are as active as their private sector counterparts in organising the activities and furthering the objectives of the NIM. Our Institute is, therefore, a living example of a national institution which actively promotes the cross-fertilisation process between the public and private sectors, in acknowledgement of the fact that this is the best way of realising the full potential of our national management capacity and competence.

Military Governor, Sir, I must seize this opportunity to thank you, and the people of Ogun State, for the support which you have given, and which you continue to give, to the Nigerian Institute of Management. Your agreeing to host our National Management Conference this year is only one example of the support which I am talking about. We also recall, with gratitude, that the Government of Ogun State responded to our Management House appeal fund with a donation of N10,000 in 1981. I have no doubt that we can look forward to even stronger support in the future. Military Governor, sir, I really do not want to prolong this un-necessarily. Suffice it to say that we at the NIM are pleased and proud to have you, Sir, as a Vice-Patron. May I now ask you to do me the honour of allowing me to invest you with this symbol of your office (Investiture).

I thank you all, and, once more, welcome you heartily to our 26th Annual National Management Conference.

NIM's Management Book Fair

NIM organised its first Management Book Fair as part of the 26th Annual National Management Conference inside the cinema lobby of the Ogun State Hotel, Abeokuta.

On hand to open the fair was a renowned author and publisher, Chief Arthur Nwankwo.

In a rather vituperative speech, the Chairman of the Fourth Dimension Publishing Company opined that he considered the book fair unique because the issues discussed at the ANMC will largely contribute to the resolution of Nigeria's management problems. The problems, according to him, are enormous but not insurmountable. Chief Nwankwo suggested that since the leadership and followership are now aware of the disasters associated with irresponsible management, we must either learn to manage our human and material resources for positive development or submit to the agonizing option of an organised disorder. He contended that given the high quality of participants at the ANMC viable options will be evolved for improving the unpleasant situation.

He formally declared the Management Book Fair open and recommended that all conference managers endeavour to see and purchase management books to enhance the study, practice, art and science of Management as a discipline and a profession. The fair was manned by:

1. Magazine Subscriptions Ltd
2. Literamed Limited
3. Centre for Management Development
4. Spectrum Books Limited
5. Nnema International Co. Ltd
6. Business Education Exams Council
7. University Press Limited
8. Heinemann Educational Books Limited
9. Fourth Dimension Publishing Co. Ltd
10. Obafemi Awolowo University Press

CONFERENCE Who's Who

Name	Grade of Membership	Position	Organisation	Location
Abubakar, N.			Niger State Water Board	Minna
Achonu, A. O.	Associate	Director	Centre for Management Dev.	Lagos
Adadevoh, B. K. (Prof.)	Fellow	Chairman ET & PC	Nig. Institute of Management	Lagos
Adebambo, M.		Personal Secretary	Nig. Institute of Management	Lagos
Adebanjo, O. O.	Associate		Nig. Institute of Management	Abeokuta
Adebanjo, A. O	Member		John Holt Limited	Lagos
Adebayo, A. A.		Assist to the M.D.	Nigerian Distillers Ltd.	Lagos
Adabayo, B.	Associate	Snr. Lecturer/Consultant	Nig. Institute of Management	Lagos
Adediwin, Z. O.		Asst. Chief Admin Officer	Nig. Mining Corporation	Jos
Adeeko, M. A.		Asst. Chief Admin Officer	Ministry of Fin. & Econ. Planning	Abeokuta
Adekunle, M. A.		Audit Manager	I.T.T.	Lagos
Adeleye, I. O.		Deputy Managing Director	I.T.T.	Lagos
Adenigba, G. A.	Associate	Executive Director	I.T.T.	Lagos
Adeniyi, A. O.	Associate	Sec. For Finance & Admin	Min. of Fin. & Econ. Planning	Abeokuta
Adenubi Akinbayo	Member	Executive Secretary	Nigerian Inst. of Bankers	Lagos
Adeoye, S. A. (Dr.)		Director, Polyconsult	The Polytechnic	Ibadan
Adelomi, T. A.			Min. of Commerce & Industry	Abeokuta
Adetoro, G. A.	Associate	National Treasurer	Assoc. of Snr Staff of Bifi	Lagos
Adeyeye, A. A.		Advert Representative	Nig. Institute of Management	Lagos
Adofasi Felix	Associate	Commercial Manager	Nig. Eagle Flour Mills	
Agenmonwen, V. E.	Member		Freedom Dev. Co. Ltd.	
Ahmadu, N. P. P.		Marketing Manager	Ceramic Manufacturers Nig. Ltd	Kano
Ahmed, S. M.	Associate	Senior Officer	United Nig. Textile Ltd.	Kaduna
Aina, A. O.		Technical Manager (Power)	I.T.T.	Lagos
Aina, Dele			Min. of Fin. & Econ. Planning	Abeokuta
Akande, R. B.		Chief Technical Officer	Oyo State Government	Ibadan
Akanni, J. A. (Mrs)	member	Chief Accountant	Broadcasting Corp. of Oyo State	Ibadan
Akinkumi		Switching Manager	I.T.T.	Lagos
Akinwande, J. A.		Asst. Director	Nigerian Railway Corporation	Lagos
Akinyemi, O. I. A. (Chief)	Fellow	Chairman	IOTA Management	Lagos
Alabi, A. A.	Associate	Asst. General Manager	Mosheshe Fisheries Ltd	Lagos
Alabi, J. O.		Director	Agricultural & Rural Management Training Institute	Ilorin
Alapafuja, A. L. O.		Contract Admin. Manager	I.T.T.	Lagos
Allahbamulahiya, S. S.	Member	Director Corp. Affairs	NITEL	Lagos
Alli-Idowu, P. A. (Dr.)	Member	Chairman	Firearms Enter. Ltd.	Lagos
Alkali, M. E.		Deputy Managing Director	SEEPC Nigeria Limited	Lagos
Alomo, A. O.	Member	Director of Corp. Planning	Nigeria Airports Authority	Lagos
Amah, E. C.		Editorial Assistant	Nig. Institute of Management	Lagos
Anabor, P. E. (Mrs)	Member	Librarian/Manager Membership Services	Nig. Institute of Management	Lagos
Anyanka, I. C.		Credit Control Manager	First Bank (Nig.) Ltd.	Lagos
Aruna, R. S.		Director of Corp Services	Odu'a Investment Company Ltd.	Ibadan
Ayeni, A. R. O.		Asst. General Manager	United Bank for Africa	Lagos
Ayoade, A. O.	Associate	Sec. For Pers. Asst. Service	Office of the Military Governor	Abeokuta
Balogun, K. G.		Chairman	Geekaybee (Nig.) Ltd.	Ibadan
Balogun, L. A.		AG. Head of Account & Banking Department	The Polytechnic	Ibadan
Balogun, M. A.		Personnel Director	Metal Box Toyo Glass Nig. Ltd.	Agbara
Bash, R. M.		Counsellor for Econ. Affairs	United States Embassy	Lagos
Bawa-Allah, T. O.	Member	General Manager	L.S.T.C.	Lagos
Bello, A. O. (Alhaji)	Member	Deputy Managing Director	Livestock Feeds	Lagos
Bello, J. F.		Manager Agri-Ventures	Nigerian Breweries Ltd.	Lagos
Bolumole, J. O.		Radio Manager	I.T.T.	Lagos
Buzuabe, A. T.			Meturlugical Training Institute	Onitsha

Name	Grade of Membership	Position	Organisation	Location
Cartwright, S. (Ms)		First Secretary	Canadian High Commission	Lagos
Chikata, C. I.		Asst. Chief Planning Officer	Min. of Fin. & Econ. Planning	Owerri
Coker Folarin	Fellow	Member of Council	Nig. Institute of Management	Lagos
Coller, W. J.		High Commissioner	Canadian High Commission	Lagos
Dada, S. O.	Associate	Personnel Manager	Bata Nig. Ltd.	Lagos
Diran, A. O.				
Dogo, A. M.	Assocate	Finance Manager	Elf Nig. Ltd.	Lagos
Duru, M. I.	Member	Secretary	Niger State Sports Council	Minna
Egbukoie, M. E.		General Manager	Petrogas	
Ekenmoh, C. O.		Chief Ind. Promotion Officer	Min. of Commerce & Industry	Owerri
Ekineh, S. D. (Miss)		Manager	Continental Merchant Bank	Lagos
Elegbede, T.			Securities & Exchange Commission	Lagos
Eleshin, K.		General Manager	Ogun State Broadcasting Corp.	Abeokuta
Emoforwan, R. V.		Director of Engineering	Ogun State Television	Abeokuta
Ezebuike, G. O.	Associate	Pers. & Industrial Relation Adiser	Food Specialities (Nig.) Ltd.	Lagos
Ezeife, C. P. (Dr.)		Senior Manager	Progress Bank (Nig.) Ltd.	Lagos
Ezidimma, S. U.		Managing Director	Basic Commerce Finance Ltd.	Lagos
Fadairo, O.	Associate	Finance Manager	Huk-Fama Farms Ltd.	
Falade, G. O.		Chairman, BOD	Ogun State Broadcasting Corp.	Abeokuta
FaLegan, S. B.		Secretary General	Nigerian Union of Teachers	Lagos
Falode, G. A.		General Manager	Interstate Merchant Bank	Lagos
Famurewa, R. O.		General Manager	NITEL	Lagos
Fanran, J. O.	Member	Chief Engineer	Eko Holiday Inn	Lagos
Fasina, V. O.	Associate	Executive Secretary	Paper & Paper Converters Ltd.	Lagos
Folami, G. O.		Admin Manager	I.T.T.	Lagos
Funmilayo, M. O.	Associate	Marketing Manager	Pharco (Nig.) Ltd.	
Gafar Shehu		General Secretary	Assoc. of Senior Staff of Banks Insurance & Finance Institutions	Lagos
Gana, F. Z.	Member	Secretary for Finance	Min. of Fin. & Econ. Development	Ilorin
Garuba, A. R.	Member	Director	Education & Media Consultants	Lagos
Gilbert, J. O.		Deputy Managing Director	NITEL	Lagos
Gujba, M. K.	Member	Controller (Mgt Services)	Cooperative Bank Ltd.	Lagos
Ibitola, J. S. A.			First Bank Nig. Ltd.	Lagos
Idowu, O. O.			Comrade Cycle Co. Ltd.	Lagos
Idris, A. (Mallam)		Principal Special Class	All Nig. Conference of Principals	Lagos
Idris, M. J.	Associate	Principal Personnel Officer	Rural Electrification Board	Minna
Ifedi, V. I.		Registrar	Yaba College of Technology	Lagos
Ii Sola	Associate	Asst. Director	Nigerian Railway Corp.	Lagos
Ikara, M. S. B.	Associate	Executive Secretary	Food Beverage & Tobacco Senior Staff Association	Lagos
Ilu Suleman				
Imasuen, S.		Head, Inv. Superv. Dept.	K.S.I.P. Ltd.	Kano
Imoisili, C. I. (Dr.)	Member	Chairman, Zaria Branch	Nig. Institute of Management	Zaria
Inyang, D. O.	Associate	Executive Secretary	Assoc. of Food Beverages & Tobacco Workers	Lagos
Itabor, P. U.	Member	Deputy Managing Director	National Insurance Corporation of Nigeria	Lagos
Iyiola, A. O.		Chief Accountant	Nigerian Breweries Ltd.	Lagos
Jack, V. M. I.		Admin. Manager	Cadbury Nig. Ltd.	Lagos
Jerome, A. F.			N.U.R.T.W.	Lagos
Jibrin, M. I.	Associate	Secretary	Nig. Institute of Management	Zaria
Joda Ali	Associate	Personnel Manager	Niger First Inter. Farms Ltd.	Kaduna
		Senior Officer	United Nig. Textile	
Jolaoso, B.				
Jones, A.	Member	Project Manager	Nig. Institute of Management	Lagos
Jose, C. O.			Ogun State Government	Abeokuta
Joseph, R. B.		Asst. Manager	Nig. Institute of Management	Lagos
Kalu Agwu			Rivers State Government	Port Harcourt
Kani, M. A.	Associate	Consultant/Analyst	A.G. Leventis	Lagos
Kambi-Selema, C. (Mrs)	Associate	Director-General	Military Governor's Office	Kano
Kolade, C. O. (Dr.)	Associate	Sect. Admin	Rivers State Government	Port Harcourt
Kuforiji-Olubi, D. B. A.	Fellow	President/Chairman of Council	Nig. Institute of Management	Lagos
Kukoyi Adekunle (Surv.)	Fellow	Group Managing Director	VYBBEWAC	Lagos
	Fellow	Managing Director	Nigerian Mapping Co. Ltd.	Lagos

Ladejobi, O. A.	Associate	Sect to the Board	Federal Inland Revenue	Lagos
Lawal, J. A.		General Manager	John Holt	Lagos
Maduegbuna, E.		Group, Public Affairs Manager	Union Securities Ltd.	Lagos
Magawata Bello			Ministry of Commerce	Sokoto
Mahmud Tijani		D.P.S	Ministry of Commerce	Kano
Malomo, M. O.		Chief Accountant	Pharco (Nig.) Ltd.	Lagos
Morah, C. H.	Associate	Development Controller	Cadbury (Nig.) Ltd.	Lagos
Mosugu, B. (Group Capt.)		Member ET & PC	Nig. Institute of Management	Lagos
Muhammad Abbas		Senior Planning Officer	Military Governor's Office	Kano
Muhammad Bashir			First Bank (Nig.) Ltd.	Lagos
Njoku, G. U.	Associate	Asst. Manager	Nig. Institute of Management	Lagos
Nwachukwu, O.		Econ. Res. Manager	First Bank of (Nig.) Ltd.	Lagos
Nwankwo Arthur		Group Chairman	Fourth Dimension Publishers	Enugu
Nanze-ton, S. (Mrs)			Federal Housing Authority	Lagos
Nweke, E. N			Rivers State Government	Port Harcourt
Nwokolo, P. E	Member	Head, Finance & Accounts	Nig. Institute of Management	Lagos
Nzewuihe, E. O	Member	Group Personnel Manger	Hardel & Enic Ltd.	Owerri
Odebo, S. A		Principal Accountant	Ogun State Broadcasting Corp.	Abeokuta
Odefunso, A (Chief)	Associate	Asst. Chief Accountant	Nigerian Union of Teachers	Lagos
Odejide, O. O. (Mrs)		Factory Emp. Manager	Cadbury (Nig.) Ltd.	Lagos
Odiba, S. O		Senior Supervisor	United Nigeria Textiles Ltd.	Lagos
Odulayo M. B. K	Associate	Secretary	Nig. Institute of Management	Abeokuta
Oduyoye, S. A		Stock Broker	Fin. Trust Co. (Nig.) Ltd	Lagos
Olfonry, H. K. (Chief)	Fellow	Director	West African Thread Co. Ltd.	Lagos
Ogbugo, E. I. (Mrs)		Head, Labour & Service	Food Specialities of Nigeria Ltd.	Lagos
Ogun, M. O. I. (Mrs)		Product Group Manager	Lever Brothers	Lagos
Ogunlade, J. O	Member	Director-General	Nigerian Institute of Management	Lagos
Ogundare, J. O. O. (Chief)	Associate	Personnel Director	Thomas Wyatt Nigeria Limited	Lagos
Ogunlana, F. O	Fellow	Chairman/Managing Director	Fin. Consultants Ltd.	Lagos
Ogunnode, E. D		Chairman	NIM Store	
Ogunsola, M. A		Chief Accountant	Nig. Sewing Machine Co. Ltd.	Lagos
Ohabuike, B. I		General Manger	John Holt Ltd.	Lagos
Oluosimuan, S. O		Supplies/Planning Controller	Lever Brothers	Lagos
Ojikutu, A	Associate	Chairman	Leebroke Limited	Lagos
Okereke, M. O	Member	Public Relations Adviser	UAC	Lagos
Okonkwo, J. N	Associate	Deputy General Manager	Childiebere Transport	Umuahia
Okpor, S. O		Asst. General Manager	Alraine (Nig.) Ltd	Lagos
Okubanjo, B	Member	Director General	Ministry of Land & Housing	Abeokuta
Okunbanjo, M. (Mrs)	Member	Director of Programmes	Ogun State Broadcasting Corp.	Abeokuta
Oladipo, O	Member	President	Possan, the Topytechnic	Ibadan
Oladosun, B. A			Ogun State Government	Abeokuta
Oladeji, O	Associate	AG. Hod (Bus. Admin.)	The Polytechnic	Ibadan
Olapade, J	Member	Federal Inland Revenue Dept	Controller of Taxes	Lagos
Olubusi, E. O. (Mrs)	Member	Deputy General Manager (Life)	NICON	Lagos
Olusanya, W.		National President	Food Beverage & Tobacco Snr. Staff Association	Lagos
Omojuwa, M. S	Associate	Training & Dev. Manager	Oluwa Glass Co. Ltd.	
Onabolu, Y		General Manager	Ogun State Television	Abeokuta
Oni, F. O	Member	Head, Labour & Staff Service	Food Specialities of Nig. Ltd.	Lagos
Oni, O. O	Associate	Personnel Controller	Cadbury (Nig.) Ltd.	Lagos
Onosode, G. O	Fellow	Chairman	Cadbury	Lagos.
Onyemelukwe, O		Director of Planning	Anambra State Government	Enugu
Orisasampe, M. B. (Miss)	Associate	Manpower Dev. Manager	Cadbury Nig. Ltd.	Lagos
Orizu E. N			NNPC	Lagos
Orosiiyi, D			Continental Merchant Bank Ltd.	Lagos
Oseni, F	Associate	Deputy Chief Maint. Engr	NNPC (POD) Hq, Mosimi	Mosimi
Ositelu O			Ministry of Local Government	Abeokuta
Osinibi, D. A.		Secretary to Military Governor	Office of the Military Governor	Abeokuta
Osundahunsi, D	Associate	Editor/Head of Printing & Publications	Nigerian Institute of Management	Lagos
Otobo, J. U		Graphic Artist	Nigerian Institute of Management	Lagos
Oyeleye, O. (Engr.)	Fellow	Group Executive Director	Total Nig. Ltd.	Lagos
Oyelola, O. P			Ogun State Government	Abeokuta
Oyewole, D	Member			
Oyewole, M. S		Fin. Planning & Systems Dev. Officer	Cadbury Nig. Ltd.	Lagos
Phillips, F. A. O	Fellow	Chief Executive	F.A.O. Phillips & Associate	Lagos

Name	Grade of Membership	Position	Organisation	Location
Rodipe, B. A. (Chief)		Chief Executive	Bisrod Furniture Co.	Lagos
Rufai, S. O.		Costing Manager	ITT	Lagos
Salami, I. O.	Member	Managing Director	Nig. Paper Mill Ltd.	Jebba
Salawu, M. W.			Office of the Military Governor	Abeokuta
Sanni, Y. O. A. (Alhaji)		Comm./Planning Manager	Metal Box Toyo Glass Nig. Ltd.	Lagos
Sheu, U. F.	Member	General Manager	Federal Housing Authority	Lagos
Shonubi, A. T		Marketing Manager	Yankari Water Co. Ltd	Bauchi
Smith, O. A	Member	Brewery Manager	Nig. Breweries	Lagos
Sogbamu, A. O.		Logistics Manager	ITT	Lagos
Sogunle, J. A.		Financial Controller	Afrane (Nig.) Ltd	Lagos
Sotoyimbo, N. O.	Associate	Registrar	Ogun State University	Ago Iwoye
Sowemimo, S. A. O.		National President	Assoc. of Snr. Staff of Banks, Ins., & Financial Institutions	Lagos
Suleman, A		Director of Comm. Service	Ogun State Television	Abeokuta
Suleman, Y.			Sokoto State Government	Sokoto
Tahir Isa		Buying Manager	Ceramic Manufactureres	Kano
Tubi, M. O.		Personnel Manager	Pfizer Products Ltd.	Lagos
Uche, I. K.		Senior Manager	Progress Bank (Nig.) Ltd.	Lagos
Uchendu, I. I.	Member	Executive Director	Food Specialities of Nig. Ltd	Lagos
Udemah, A. O.		Deputy General Manager	Sera Printing Limited	Lagos
Udo-Inyan, D. S.			Allied Bank	Lagos
Udo Udo-Aka (Dr.)		Director-General	Centre for Management Development	Lagos
Uko, A. I	Affiliate		Eastern Bulkcem	Port Harcourt
Umoru, A. S.		General Manager	Ceremic Manufacturers	Kano
Umoru, M. S.	Member	Executive Chairman	Ceremic Manufacturers	Kano
Uwaifo, E.		Chief Accountant	Theo & Theo Paints Co. Nig. Ltd	
Williams V. B. (Lt. Col.)	Associate	Asst. Director of Army Finance/Accounts	Defence Intelligence Agency	Lagos
Zorre, N.	Member	Asst. Postmaster General	NIPOST	Lagos

Monetary and Fiscal Policy

(Continued from page 52)

Chenery (1955 and 1958).

(v) Tinbergen defines accounting prices as those "that would prevail if (1) The investment pattern under discussion were actually carried out, and (2) Equilibrium existed on the markets just mentioned" (that is, labour, capital and foreign exchange markets); see Tinbergen (1958, page 39). The relation between accounting and shadow prices is discussed in Chenery (1958) and Qayum (1960).

(vi) Frisch was one of the strongest advocates of the use of linear programming for development planning. He wrote: "In the beginning of 1959, during my work as a United Nations expert in Cairo, I was confronted with the problem of working out a methodology for optimal investment programming in a rapidly expanding underdeveloped country. I have always believed—and my Cairo experiences have confirmed it—that such a method must be formulated in terms which ultimately make the problem amenable to linear programming. Otherwise, one is practically certain to be taken by surprise afterwards in unexpected balance of payments difficulties and other troubles", see Frisch (1959, page 1).

APPENDIX II

Foreign Assistance

Fuller discussions of the possibilities of increasing growth of the poor countries and the implications for trade and aid policies are given by the World Bank (1978, 1979).

APPENDIX III

Domestic Market

The effect of small markets combined with economies of scale in production is one of the main explanations given for lack of growth of poor countries. See Nurkse (1953).

APPENDIX IV

Primary specialisation in period of transition

In the UNCTAD "A", classification of exports come after the initial processing of raw materials as a primary export. Again, virtually all countries start to develop by specialising in exports based directly on their natural resources; only later do they develop exportable manufactured goods and services from accumulated savings as Iran did.

Chief (Dr.) Alhaji M. S. Umoru is the Executive Chairman, Ceramic Manufacturers Limited, Kano.

NIM News letter

NIM COURSES

SEPTEMBER 1988

5/9/88	Accounting for Supervisory and Senior Clerk	1 week	Lagos
5/9/88	Personal Effectiveness Self and Time Management	1 week	Lagos
5/9/88	Management Appreciation Course	1 week	Port Harcourt
12/9/88	Management Appreciation	1 week	Lagos
12/9/88	Financial Management for Directors	1 week	Lagos
12/9/88	Effective Selling Skills	1 week	Lagos
12/9/88	Managing People for Desired Results	1 week	Lagos
19/9/88	Top Management for Senior Executives	1 week	Jos
.19/9/88	BBC	1 week	Lagos
26/9/88	Leadership and Motivation in Management	1 week	Lagos
16/9/88	Management Appreciation Course	1 week	Kano
26/9/88	Effective Selling Skills	1 week	Aba

OCTOBER 1988

3/10/88	How to improve Managerial Performance	1 week	Lagos
3/10/88	Internal Auditing	1 week	Lagos
3/10/88	Field Sales Management	1 week	Lagos
10/10/88	Organization and Methods for Office Administration	1 week	Lagos
10/10/88	Industrial Relations	1 week	Lagos
10/10/88	Leadership and Motivation in Management	1 week	Maidugun
17/10/88	MBO Adviser Course	3 weeks	Lagos
17/10/88	Management Auditing	1 week	Lagos
17/10/88	Marketing and Sales Management (RD)	1 week	Lagos
17/10/88	Employment Laws and Regulations	1 week	Lagos
17/10/88	Management Appreciation	1 week	Owerri
31/10/88	Supervisory Management	1 week	Lagos
31/10/88	Management Accounting	1 week	Lagos
31/10/88	Advertising Sales Promotion and Merchandising	2 weeks	Lagos
31/10/88	Developing Supervisory Leadership Skills	1 week	Lagos
31/10/88	Middle Level Management	2 weeks	Kaduna
31/10/88	Middle Level Management	2 weeks	Port Harcourt

NOVEMBER 1988

7/11/88	Inventory Management	1 week	Lagos
7/11/88	Advanced Management Accounting and Information Control	2 weeks	Ilorin
7/11/88	Job Evaluation and Salary Admin	1 week	Lagos
14/11/88	Work Study, Productivity and Cost Reduction (RB)	1 week	Lagos
21/11/88	Middle Level Management Course	2 weeks	Lagos
21/11/88	Maintenance Management	1 week	Lagos
21/11/88	Managing Accounting Departments	1 week	Lagos
21/11/88	Managing People for Desired Resultsd	1 week	Lagos
21/11/88	Management Appreciation	1 week	Zaria
21/11/88	Supervisory Management	1 week	Aba
28/11/88	Credit and Debt Management	1 week	Lagos
28/11/88	Effective Selling Skills	1 week	Lagos
28/11/88	Effective Selling Skills	1 week	Aba

DECEMBER 1988

5/12/88	Supervisory Management	1 week	Lagos
5/12/88	Budgeting and Budgetary Control	1 week	Lagos
5/12/88	Leadership and Motivation in Management	1 week	Layos
5/12/88	How to improve Managerial Performance	1 week	Kano
5/12/88	How to improve Managerial Performance	1 week	Aba
12/12/88	Management Appreciation	1 week	Lagos
12/12/88	Field Sales Management	1 week	Lagos
12/12/88	Developing Supervisory Leadership Skills	1 week	Lagos
12/12/88	Banking and Corporate Cash Management	1 week	Lagos

KOLADE APPEALS AGAIN ON MANAGEMENT HOUSE LEVY

AS part of the on going drive to better the public image of the Nigerian Institute of Management, the President and Chairman of the NIM Council, Dr Christopher Kolade has again appealed to individual members of NIM to pay up the Management House levy.

Speaking at the well attended 27th AGM of NIM in the Courtyard of Management House on Thursday 25th August, 1988, Dr Kolade reiterated his earlier call for the improvement on the very poor performance which the members had recorded in the payment of their pledges and levies towards the Management House Project. He then appealed to the individual members of the Institute to make a special effort to pay up all their levies and pledges.

Further commenting on the debt situation Dr. Kolade said "I regret to inform you that the situation today is hardly better than it was a year ago. In fact, only the paltry sum of N63,600 has come in during these 12 months, leaving an outstanding balance of N3.7 million from last year's position". "No doubt," he said, "the payment of these debts requires a special effort especially in the current economic circumstances. However, it is equally certain that the banks will continue to insist that the NIM rescues itself from its present debtor status."

He further stated, "although we have received assistance from Government and Corporate bodies in the past, and may well receive further help in the future, it is mandatory that all our members meet their obligations in full if the image of the Institute is to be saved from further damage".

He concluded that Council has been making efforts to reschedule the repayment of the loan while negotiations on interest on the principal are going on with the consortium of banks which syndicated the loan.

AIKHOMU BAGS NIM FELLOWSHIP AWARD

THE Chief General Staff, Vice-Admiral Augustus Aikhomu bagged the fellowship award of the Nigerian Institute of Management in a colourful ceremony performed inside the Fountain Courtyard of Management House on 25th August 1988.

A citation read by Biodun Jolaoso of the Funding Raising and Project Department of the Institute traced the early education of the Number Two Nigerian to Government School, Irrua, in 1948. Vice-Admiral Aikhomu also attended Yaba College of Technology before enlisting in the Nigerian Navy. He attended several naval trainings in England and India before being commissioned Sub-lieutenant in 1964.

Vice-Admiral Aikhomu was Navigating Officer for NNS Nigeria from 1966 to 1977. He also commanded the NNS Kaduna from 1967 to 1969. He became the flag officer commanding Flottila Naval Command having been promoted Commodore in 1980. He was appointed Chief of Operations, Naval Headquarters in 1983, a position he held until 1986 when he became the Chief of General Staff.

Vice-Admiral Aikhomu is the first military personnel to be honoured with the fellowship award of the Institute. He joined the membership of NIM in 1980 and has remained very active since then. In fact, his name is on the Roll of Honour conspicuously displayed at the entrance of Management House.

Reacting to the coveted award, Vice-Admiral Aikhomu expressed his appreciation and called on the Institute to "direct, as a deliberate policy, its courses, seminars and professional programmes to the public service in order to improve the performance of young managers in the service as the true challenge of the public service now is how to make it play its role efficiently and effectively".

Vice-Admiral Aikhomu bagged the fellowship along with 23 other distinguished Nigerians.

The awards were presented by the Vice-Chairman of the Board of fellows of the Institute F. O. Ogunlana.

N.I.M. DIPLOMA IN MANAGEMENT PROGRAMME

ADMISSION

THE NIGERIAN INSTITUTE OF MANAGEMENT invites applications from suitably qualified candidates for admission into the Diploma in Management Programme.

THE DIPLOMA PROGRAMME is a part-time study mainly designed for working managers/supervisors who do not have time for full-time studies. Registered managers/supervisors and students are encouraged to study on their own or enrol in weekend or evening institutions that offer lectures for the Programme.

The Programme runs in three parts, Parts I, II and III to qualify a student for a **DIPLOMA IN MANAGEMENT.**

ENTRY REQUIREMENTS

APPLICANTS will be required to submit acceptable evidence that he has obtained an approved educational qualification. The following educational qualifications will be accepted for this purpose.

1. A degree or approved diploma of a recognised University; or
2. The final examination certificate of a recognised professional body; or
3. At least Ordinary National Diploma or Certificate in Business Studies or Public Administration; or
   - *(a)* GCE 'O' Level in Five (5) subjects, including English Language; or equivalent qualifications from a recognised institution or examination body; and
   - *(b)* Three years post-qualification suitable and related work experience in an organisation preferably at not below supervisor capacity. Any candidate falling under this clause will be required to furnish evidence of work experience from an employer or a **PROFESSIONAL MEMBER** of the **NIGERIAN INSTITUTE OF MANAGEMENT.**

METHOD OF APPLICATION

Application forms are obtainable from the Institute at the following rates

Application Form	*(non-refundable)*	₦25.00
Prospectus		₦10.00
Student Registration		₦50.00

Payment can be made in **CASH OR CERTIFIED BANK DRAFT. POSTAL MONEY ORDERS** are NOT acceptable.

For further details contact

The Director General
Nigerian Institute of Management
Plot PC 22, Idowu Taylor Street
Victoria Island
P.O. Box 2557, Lagos.

NATIONAL ORDER OF PRECEDENCE

The Federal Military Government has approved a new National Order of Precedence. The Order which is to be followed in all official functions as applicable is specified as here-under:

1. President, Commander-in-Chief of the Armed Forces;
2. Chief of General Staff, General Staff Headquarters;
3. Chairman Joint Chiefs of Staff and Minister of Defence;
4. Chief of Army Staff;
5. Chief of Naval Staff;
6. Chief of Air Staff,
7. Inspector-General Police;
8. Members of the Armed Forces Ruling Council;
9. Chief Justice of the Federation,
10. Former President and former Heads of State;
11. State Governors,
12. Justices of the Supreme Court, President, Court of Appeal;
13. Senior Military Officers who are not members of the Armed Forces Ruling Council but not below the rank of Brigadier or its equivalent.
14. Federal Ministers, Governor of Central Bank;
15. Secretary to the Federal Military Government;
16. Chairman Federal Civil Service Commission;
17. Heads of Foreign Missions in Nigeria;
18. Police Officers not below the rank of Commissioner of Police;
19. Former Chief Justices,
20. Accredited Traditional Rulers;
21. Chief Judge of the Federal High Court, State Chief Judges; Grand Khadis and Presidents of Customary Courts;
22. Judges of the Federal and State High Courts, Presidents and Judges of the National Industrial Court;
23. Members of State Executive Council,
24. Secretaries to State Military Governments and Federal Directors-General, State Chief of Protocol, Chief Registrar Supreme Court, Principal Secretary, Press Secretary and Physicians to Mr. President, Nigerian Ambassadors and High Commissioners,
25. Auditor-General of the Federation, Chairmen and other Heads of Extra-Ministerial Departments;
26. Senior Military Officers not below the rank of;
    (a) Army Lt. Colonel
    (b) Navy Commander
    (c) Air Force Wing Commander
    (d) Chief Superintendent of Police;
27. State Directors-General
28. Chief Imams, Bishops and their equivalent;
29. Foreign Charge d' Affairs and Acting High Commissioners;
30. Representatives of International Organisations:
31. Chairmen and Members of Federal Boards, Corporations, Parastatals, Commissions, Tribunals, Bureaus and Directorates;
32. Directors, and Heads of Federal Government Departments, and Parastatals.
33. Federal and State Government Officials on Grade Level 14 and above, members of State Boards' Commissions and Councils.

CALENDAR OF SCHEDULED EVENTS—1988

COUNCIL MEETINGS
22nd September, 1988
8th December, 1988

MEMEBERSHIP COMMITTEE MEETINGS
24th August, 1988
24th November, 1988

EDITORIAL BOARD MEETINGS
26th September, 1988
12th December, 1988

EXCO MEETINGS
10th November, 1988

NIGERIAN INSTITUTE OF MANAGEMENT 1988 YOUNG MANAGERS' COMPETITION

TIME TABLE

ZONAL HEATS:

September 10th	— Lagos Zone I & II—Management House
September 17th	— Lagos Zone III —Management House
October 8th	— Northern Zone—NIM Area Office, Kano, 57, Airport Rd., Box 6382
October 15th	— Western Zone, NTC Recreation Club, Ibadan.
October 22nd	— Eastern Zone, NIM Area Office, Aba, 216 Port Harcourt Rd., Box 3272.

NATIONAL FINAL:
DATE: Saturday, 19th November, 1988
VENUE: Management House, Plot 22, Idowu Taylor Street, Victoria Island, Lagos.

CONFERENCE SUMMARY

MANAGING THE ECONOMY OUT OF RECESSION

Recommendations

1. We commend the efforts of the Government for going in the right direction on SAP.
2. Trade liberalization should be allowed to work, but should not be carried to an extreme.
3. The present foreign exchange market determined rate does not allow for good planning by industries. It is advisable that Government intervene to work out a range within which Naira should fluctuate.
4. Export procedures should be made easier than it is at present. Bureaucracy on the procedures should be simplified.
5. Mass transportation scheme is a good decision, but the implementation does not give room for maximum job creation for Nigerians because finished buses are being imported into the country.
6. The three Directorates set up by the Government are the right steps in the right direction, however, Government should constantly evaluate and monitor the progress of the Directorates. We suggest the involvement of the rural community in the implementation and control of the projects, affecting their particular communities.
7. Localized banks should be encouraged to operate in local areas and be given incentives.
8. Government should continue to provide necessary infrastructures for housing development of the people. Private or individual house ownership should be encouraged by considerably reducing interest rate on housing loan.
9. Manager's role in managing the economy out of recession should have the following attributes:
   (a) Honesty of purpose and integrity
   (b) Adequate managerial skill and ability
   (c) Manager should be result oriented.
   (d) Managers must be trained knowledgeable, and innovative:
   (e) Work within clear policy objectives which are properly communicated
10. The role of Government is commendable on her aggricultural policy but we suggest that grass root involvement should be more vigorously pursued.

THE ROLE OF PUBLIC AND PRIVATE SECTORS IN ACHIEVING A BOUYANT ECONOMY

1. **Preamble**

PARTICIPANTS considered the extent of the roles played by both the government and the private sector and agreed that both sectors have considerable part to play in reviving the economy. Given that the country is now in a recession with large army of unemployment, low productivity, escalating prices of commodities, it was agreed that the private sector should continue to be aided by the government in order to be more active in playing its traditional effective and efficient roles in stimulating the economy to its commanding heights.

2. **Recommendations**

(i) the government should *create favourable conditions for economic growth and development by*

(a) removing obstacles in the form of inadequate social and economic infrastructure by giving adequate attention to: *(i)* transport, *(ii)* communication and public utilities—electricity, fuel and water *et cetera*. It is therefore suggested that the railway system should be given priority to complement the mass transportation system being planned by the government.

In this regard, conference recognises the activities of the Directorate of Food, Road and Rural Infrastructure (DFRRI) and encourages the government to continue in that direction. However, the inculcation of maintenance and time should be vigorously pursued;

(b) removing obstacles of insufficient information and knowledge by continuing to adopt an open-door approach and enhancing access to foreign information for the Nigerian economic agents and encouraging research at all levels.

(c) encouraging and promoting active private sector in the promotion of economic development through the provision of infrastructure and also disengage itself ro reduce its investments to 20% equity participation from direct involvement in the running of economic industries on the availability of suitably well organised private intrepreneurs.

(d) the Federal Government disbursing a fairly large portion

AND RESOLUTIONS

of its funds through the financial institutions for onward lending to the private sector. It is expected that a well-funded private sector should help stimulate productivity, reduce unemployment and bring down rising prices.

(e) facilitating through faster methods/regulations and the acquisition of land for all economic activities.

(f) NIM recognises the laws dealing with the protection of Nigerian investors but enjoin the private sector to ensure that all actors in both the public and private sectors do not collaborate with foreigners against national interest

(ii) Secondly. Government should ensure effective implementation of Chapter 2 of the 1979 Constitution which spelt out the fundamental principles and directives of public policy of ensuring social justice and economic fairness. It is necessary for the negative side effects of market system to be removed or reduced through Government actions as social and political stability creates conditions for achieving a buoyant economy. In this respect,

(a) the conference appreciates the effort of the Government in providing jobs through the NDE (National Directorate of Employment) for the unemployed and implores it to intensify its activities in this respect.

(b) Also recognising the need to reduce the rate of crime by various elements of the society and thus enhance less hazardous economic activities, Conference recommends that the introduction of a social security scheme be looked into. Modalities should be worked out to ensure effective accountability in the system.

(iii) NIM appreciates the educational policy initiated by the Government and would want greater emphasis be placed on technical education and that health care delivery system should continue to be accorded priority status in the government policy.

iv) As far as the role of the private sector is concerned, it should continue to:—

(a) comb the world business environment and avail itself of industrial opportunities

(b) aggressively pursue the acquisition of modern technologies for economic development of our nation and where need be

(c) help to develop indigenous technologies by adequately funding rural development in both within or outside their organizations.

(d) that the private sector adopts positive policies of meaningful collaboration with the trade unions with a view to gaining maximum support and cooperation for enhanced productivity and efficient workforce coupled with improved work culture.

(e) that the positive provisions of the Nigerian Enterprises Promotion Decree should be employed to encourage and mobilize workers in a given industry through shareholding scheme and employ other ideals in pursuing progressive industrial relations practices for the joint good of all.

MONETARY AND FISCAL POLICY TO BOOST NIGERIA'S ECONOMIC RECOVERY

SUMMARY

THE paper discusses the theoretical framework of monetary and fiscal policies for the purpose of boosting economic recovery. It concludes that the only guarantee for Nigeria's economic recovery, sustained growth and self-reliance lies in increased productivity, which connotes cost reduction, enhancing the value of the Naira, reduction in inflation and general rise in the standard of living.

It reviewed the attempt of the successive governments in trying to solve our economic ills but failed in one way or the other. It further notes that:

(a) the Naira is still very unstable and unpredictable

(b) there is a lot of external borrowing

(c) abolition of commodity boards thereby making primary produce exportable by anyone, leading to unstable domestic prices for primary produce thereby hindering planning.

RECOMMENDATIONS

While commending the autonomy of the Central Bank, it made the following recommendations

1 The government has made it clear that the value of the Naira is dependent on the exchange rate of the Naira and the price of crude oil in the international market. This is not in the best interest of the Nigerian economy.

2. The government should consider steps to boost the police workforce to make it more preventive rather than curative.

3. The recognition by Government of the danger inherent in increased level of unemployed school leavers is commendable. The government should provide measures to reduce unemployment in the long-run, in the areas of:

(a) low interest loans to farmers and small scale industries

(b) mobilization of peasant farmers

(c) encouragement and commercialization of local inventions

(d) discouraging certain imports, which can be produced locally.

4. The earnings from the oil sector are very much unpredictable. Therefore, there is need to properly co-ordinate exportable primary produce to supplement the short-fall in oil revenue and the total revenue properly channelled to the productive sector of the economy.

5 As 'Increased Productivity' is the only guarantee for Nigeria's economic recovery, sustained growth and self-reliance, all economic development plans should have 'Increased Productivity' as the main objective at least for the next ten years.

CONFERENCE IN PIX

Participants at the cocktail applaud while the State Governor Col. Raji Rasaki looks on.

Dr. Kolade receives a cheque from the Ogun State government on behalf of NIM.

It was not all talk at the Conference, here the Editor of Management In Nigeria Mr. Dele Osundahunsi and Mr. P. E. Nwokolo queue for lunch.

Prof. J. O. Ogunlade, NIM Director-General, reads the Code of Conduct, while Dr. Kolade and Governor Rasaki look on.

Dr. Christopher Kolade invests Colonel Raji Rasaki as the Vice-Patron of NIM.

Welcome back to Abeokuta this second time around Governor Raji Rasaki seems to be telling the President and Chairman of NIM Council, Dr. Christopher Kolade.

CONFERENCE IN PIX

Some of the.NIM staff at the Conference

The cocktail is over and Dr. Kolade gives a vote of thanks.

It is question time and Mrs Kambi—Selema sends everyone reeling with laughter

NIM Big Wigs discuss contemporary issues outside the Banquet Hall of Ogun State Hotel, Abeokuta

Cross section of participants at the conference.

Time for lunch and NIM's Engr. T. Oyeleye, Prof. Adadevoh and Chief Akinyemi are partaking.

Managing the Economy out of Recession

By Chief S. B. Falegan

THE last few years, particularly the inception of the present administration, have witnessed most profound and fundamental changes in our economic policy formulations, objectives, the style of executing such policies and the methodology of achieving them. Of course the problems facing the economy, that warrant such fundamental approach are self-generating and reinforcing. Such daunting problems which are allowed to pile up would have resulted in total collapse of the economy with the attendant social chaos if those changes have not been evolved.

First, in October 1985, a state of National Economic Emergency was declared for a period of 15 months. This culminated in promulgating the National Economic Emergency Powers Decree which empowers the President to issue orders and make regulations aimed at revamping and stimulating the economy during the emergency period.

Second, is the emergence of the Structural Adjustment Programme (SAP) expected to last from July 1986 to June 1988. The aim of SAP is to alter and restructure the production and consumption patterns of the economy so as to eliminate price distortions, broaden the export base of the economy and reduce over-dependence on imports of consumer and producer goods and one commodity (oil) export. While at a later stage we will go into some of the details of these two major policy thrusts, and the strategies and instruments for implementing them, I have tried to employ three approaches in dealing with the topic. One, a short summary of accumulation of economic problems that provoked our recession. Two, the management of the economy during the recession including the accompanying problems and three, some suggestions including the out-of-recession prospects for the economy.

The theme has itself accepted the existence of a recession. Some have gone to the extent of calling the period between 1980 and 84 as a period of **Depression**, more severe than a *Recession*. While recession has been defined as "a sustained and widely diffused decline in the rate of growth of real aggregate economic activity relative to its long-term trend", depression represents "a period of low general economic activity, marked by mass unemployment, deflation, a decreasing use of resources and a low level of investment. The dividing line may be mute or slim but this is not the place for fine-tuning definitions. Until the Nigerian economists are able to examine business cycles in our economic life in the last twenty years and examine cyclical and secular changes so as to determine what constitutes—Recessions, Depressions, and changes in economic activities, I will avoid further theoretical analysis of such issues. What is important at this stage is an examination of those problems that faced the Nigerian economy as to warrant such fundamental changes and approaches in policy thrusts that mark a break with the past.

Not only are the problems sordid, but are an amalgam of a number of problems that piled up in batches over the years but attended to perfunctorily. The economic indicators as shown below in Table 1 point to some of the problems

The Gross Domestic Product (GDP) revised at current 1984 factor cost declined by 18.5% in 1981 and again by 3.3% in 1982. It fell further by 6.3% in 1983. Although the 1984 and 1985 GDP figures revealed a dramatic upturn of 4.8% and 8.4% respectively, the absolute level of ₦68.6 billion recorded in 1984 was still well below the ₦69.9 billion recorded in 1982—a year of negative growth rate. The GDP declined by 2.1% in 1986, but made an increase of 1.2 per cent in 1987.

Gross Domestic Investment which stood at ₦11.7 billion in 1981 had dropped to ₦4.1 billion in 1984 only to record a marginal increase up to ₦5.7 billion in 1986. Gross National Savings fluctuated more violently dropping from ₦11.5 billion in 1980 to as low as ₦4.9 billion in 1982. At the end of 1986, it stood at ₦5.4 billion.

External debt rose steadily from ₦1.9 billion in 1980 and reached a steep height of ₦101.5 billion in December 1987 at the exchange rate of ₦4.1413 to the US Dollar. Debt service ratio rose in the precipice, from 0.7% in 1980 to 35.4% in 1987.

While these indicators point to serious economic problems, the attendant policies employed at solving them compounded the issues. Nigeria embarked on severe economic restrictions on trade, accompanied by administered exchange rate, and very restrictive

TABLE 1

***GROSS DOMESTIC PRODUCT**: Expenditures, Savings and Investment Components at Current Market Price, 1980—86 (N'million)*

		1980	1981	1982	1983	1984	1985	1986	1987
1	G D P. at current 1984 Factor Cost	88.787 70	72.290 50	69.928 80	65.530 90	68 670 00	74.470 00	72.900 00	73.780 00
2.	Imports of Goods and Services	11.636 40	15.723 20	12.439 04	8.302 30	5 749 48	7 022 50	7.774 30	24.477 00
3.	Total Resources (1) + (2)	100.424 10	88.013 70	82 367 84	73 833 20	74 419 48	81 492 90	80.674 30	98.257 00
4	Consumption	36.746 45	51.588 46	·54 115 39	55.986 07	62.334 96	70 107 56	75.558 65	
	(a) Public	5 051 37	5.503 54	5 504 04	5.560 73	5 607 05	5 658 29	5.750 52	
	(b) Private	31 695 08	46 084 92	48 611 35	50 425 34	56 727 91	64 449 27	69 808 13	
5.	Gross Investments	11 431 09	11 717 13	9 431 25	6 842 50	4 118 50	5 220 87	5 705 02	
6.	Changes in Stock	589 86	673 49	450 00	391 50	330 00	403 19	434 67	
7.	Export of Goods and							9.439 40	31 323 00
	Services	14 307 50	11 584 50	9 542 16	8 031 81	9 425 18	12.002 80	5 382 42	
8	Gross National Savings	11 504 25	6 322 02	4 909 27	5 312 31	5 940 80	7 976 27	38 394 00	101 462 30[1]
9.	External Debt	1 866 80	2 331 20	8 819 40	10 557 70	14 536 00	17.290 00	2 502 20	3 591 00
	(a) Debt Service	101 60	518 60	775 20	1 335 20	2 640 50	3 718 00	29 4	35 4
	6B7 Debt Service Ratio							2 502 20	3 591 00
	(%tage)	0 7	5 0	8 9	17 8	29 1	33 2	29 4	35 4

[1] $1 = N4.1413

Source: Federal Office of Statistics (F O S). Lagos and Central Bank of Nigeria

exchange controls and regulations, all of which have had erratic and dramatic influences on cost and price levels of production—confusing both domestic producers and consumers, and increasing the risks and uncertainties of both the buyers and the sellers. Over-valued exchange rate, buoyed by rigid exchange controls and negative real interest rates, had particularly severe and persistent influences. The consequent price distortions from each variables are self-reinforcing, generating rising inflationary pressures, rising cost of production, price-wage disparities and shortages, all of which disrupt production efficiency whether industrial commercial or services, all reinforced by unemployment that is devoid of the milk of human kindness.

These various developments, both in historical terms and their currency led to the deceleration of the economy from a position of strength and oil affluence of the seventies to a situation of lean financial wealth at the close of the seventies up to date.

The overall consequences are revealed in dismal economic situation domestic demand outpacing domestic supply and resulting in balance of payment and inflationary pressures; a rapid increase in public expenditure outpacing the growth of public revenue; a change in the structure of domestic product demonstrated by the expansion of the non-traded goods sector, and a relative, if not an absolute, decline in the traded goods sector, an appreciating real exchange rate in the face of deteriorating balance of payments; and a rapid decline in (even virtual disappearance of) traditional exports; a declining rate of savings, a sagging productivity, mounting unemployment and declining world market share, a declining growth rate, over-regulation, shrinking capital and downright economic stagnation; a lagging financial structure behind a shrinking economic activity, and finally an economic policy that is noted to be vast and long in the diagnosis of its problems and short in implementation. The recession was total.

From the above, it seems no more difficult to make the deduction that a country in a recession has been rather inward looking, by shutting its doors to outward oriented economies and therefore unable to respond to external and domestic shocks. The domestic shocks, are already apparent from the discussion so far, while the external shocks can be defined as "large unanticipated changes in world economic conditions. They include shifts in terms of trade, associated to a considerable extent with violent oscillations in oil prices, and the slow-down in the growth of world export demand associated with world recessions".[1]

The balance of payments of the country deteriorated fast between 1980 and 1983. What was achieved on the external account was illusory because it was attained through severe restrictions and over-valued exchange rate. Because of this inward-looking policy, we placed great reliance on foreign borrowing without making any appreciable effort at domestic adjustment. Foreign borrowing in turn led to increased indebtedness and debt service charges which bunched heavily in favour of short-term borrowing. Consequently, our debt-service ratio rose from 0.7% in 1980 to 29.1% in 1984 where it reached the peak of 35.4% in 1987. The growing indebtedness itself limited the extent of our further borrowing, thus undermining the credit worthiness of the country.

Meanwhile, lack of adjustment at promoting domestically output-increasing policies discriminated against the key sectors of the economy, especially agriculture and non-oil exports. Delays in adjusting domestic prices in public utilities disrupt their cost and price structures; and when the adjustments were made, they came at a time when price adjustments are cumulating from all angles—oil price, telephone, electricity, water, *et cetera*, all of which affect the cost, and therefore the price of domestic output, especially manufactures, that are already smattering under a rapidly depreciating Naira.

Perhaps the period between 1985 to date can be regarded as a watershed in the Nigeria's economic management both in terms of innovative policies, structural shifts and style of administration. Before an analysis of the various policy innovations and options, we may briefly recapitulate the fundamental problems facing the economy to which the various policies are directed. The problems are:

(i) Over-dependence on imports of goods and services to the neglect of domestic factor endowment;

(ii) Over-dependence on a mono-export crop (oil) and lack of diversification of export base;

(iii) Cost and price distortions of industrial and other domestic products;

(iv) Lack of promotion of viable projects relevant to the stimulation and growth of the economy;

(v) Lack of stimulation of local manufactures and incentives to encourage exports and to boost foreign investment;

(vi) Complete neglect of the agricultural sector;

(vii) Over-protection and over-subsidization of some industries, utilities and services that negate the essence of policy prescriptions and economic recovery;

(viii) Mutual suspicion between the managers of the private sector on the one hand, and managers of the public sector on the other.

(ix) Haphazard implementation of public sector projects without regard for cost and public interest:

(x) Problem of unemployment, under-employment, and misutilisation of our human resources;

(xi) Mounting inflationary pressures;

(xii) An over-valued exchange rate and finally,

(xiii) A rising domestic and external debt burden.

Our annual budgets over the years often contain a package of measures and policy prescriptions that are meant to solve these problems. It will be boring to be enumerating them at this gathering since we are all familiar with them. Suffice it to say that either because of time constraints, or lack of executive capacity to implement them, some of the policy prescriptions every year become repetitive, over-lapping, unfulfilled, self contradictory, and in some cases self-defeating or self-reinforcing. That is why our yearly budgets became routine and humdrum, leading invariably to non-effectiveness of those policies until the innovative policies of the year 1985.

Policy of Structural Change Since 1985

As shown earlier, a state of National Economic Emergency, lasting a fifteen-month period was declared on October 1, 1985. With the rejection of the IMF structural adjustment loan, Nigeria evolved the Structural Adjustment Programme (SAP) in July 1986 (to last till June 1988), the major objectives of which are to:

(a) restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports;

(b) achieve fiscal and balance of payments viability over the period;

(c) lay the basis for a sustainable non-inflationary or minimum inflationary growth;

(d) lessen the dominance of unproductive investments in the public sector, improve the sector's efficiency and intensify the growth potential of the private sector.

The main strategies of the adjustment programme include:

(a) the adoption of a realistic exchange rate policy coupled with the liberalisation of the external trade and payments system:

(b) adoption of appropriate pricing policies in all sectors with greater reliance on market forces and reduction in complex administrative controls;

(c) further rationalisation and restructuring of public expenditure and customs tariffs.

In order to achieve these objectives through the strategies so employed, a mix of policy measures came into being, including monetary and credit policy changes, fiscal policy changes, institutional policy changes, external sector policy changes, exchange control and exchange rate changes. These changes spanning the period —1985 to 1988 can be summarised as follows:

(a) The liberalisation of external trade and payments system.

(b) The emergence of liberal foreign exchange regime of market-determined rates.

(c) The deregulation of interest rate regime, such that it is determined by market forces.

(d) An outward-looking oriented

policy that can encourage foreign capital investment.

(e) The innovation of domiciliary account aimed at stemming capital outflow.

(f) A package of incentives aimed at increasing production for export.

(g) The evolution of a two-tier foreign echange market aimed at over-coming the over-valuation of the Naira vis-a-vis the major world trading currencies.

(h) Rationalisation of import, excise and export tariff structure aimed at encouraging increased industrial output, increased export and increased production for domestic consumption.

(i) Anti-dumping and counter-vailing duties aimed at protecting specific domestic industries

(j) A more liberal investment income tax on dividends, interests, royalties, rents, *et cetera*.

(k) The cancellation of the commodity boards.

(l) The setting up of three Directorates:
- The Directorate of Food, Roads and Rural Infrastructure in 1986;
- The Directorate of Employment in 1987;
- The Directorate of Social Mobilisation called MAMSER in 1988, including the mobilisation of the womenfolk.

(m) A mass transportation scheme involving ₦700 million to ease urban mass transportation problems.
All of them are aimed at integrating our rural areas into the open and modern sector, generating employment in those areas in order to stem rural-urban migration, and finally to mobilise people in pursuit of work-force, employment and development.

(n) The introduction of a Depositor's Insurance Scheme to be managed by a new institution —the Nigerian Deposit Insurance Corporation—for the purpose of protecting depositors' funds with banks.

(o) A major financial policy thrust which now allows commercial and merchant banks to hold shares in industrial enterprises not exceeding 33½% of the shareholders' funds or 10% of the company's equity.

(p) A structural autonomy of the Central Bank of Nigeria from the Ministry of Finance in order to be able to pursue monetary policy unhindered.

(q) Conversion of some public sector debts into equity holdings under the Debt-Equity Conversion Scheme aimed at partially easing the external debt burden of the country.

(r) The granting of small business tax relief of 20% for manufacture, agriculture, and mining with a turn-over of not more than ₦500,000.

(s) Increase in capital allowances for plant and machinery.

(t) Tax exemption on dividends derived from foreign equity participation in Nigerian companies.

(u) Tax relief for owner-occupied houses in order to increase housing starts and completion.

(v) A rescheduling and refinancing of Nigeria's external debt in order to ease the debt burden repayment.

(w) A privatisation and commercialisation policy directed at parastatals nation-wide aimed at making them financially viable, self-supporting and profitable.

(x) A conscious withdrawal of Government in projects where the private sector is better equipped to execute and venture.

(y) The removal of the limitation on the level of dividends payable by each company and the reduction of with-holding tax on dividends from 15% to 10%, all aimed at revamping the economy and making it attractive to both domestic and foreign investors.

Along with all these, an Export Promotion Council and an Export Guarantee Credit Scheme were inaugurated for the purpose of diversifying and promoting Nigeria's export. A new agricultural policy was brought into play embracing a reafforestation scheme and national strategic grains reserve.

Having enumerated these policy instruments, changes and implementation, an assessment of them is necessary in order to see how they are helping the economy out of a chronic recession.

The advent of structural adjustment programme which is an innovation brought in its trail a dictum whose face is that it has to get worse before it could be better. Such innovations are naturally suspected. We should however imagine what would have happened to the economy in the absence of these innovations of such fundamental dimensions. The structural adjustment programme for a start has to be implemented in a deflationary environment, and perhaps with more deflationary consequences. There was the increased unemployment and expanded capacity underutilisation, arising from supply shortages and inadequate foreign exchange. Even then, the pain and fore-bearance, though still evident, has its consolation on the halt in GDP slide, on account of the improvement in industrial capacity utilisation and real output, the boosting of non-oil exports as a result of exchange rate rationalisation, increase in government revenue because of the exchange rate adjustment, and a relatively easier access to foreign exchange than before by all sectors of the economy especially the productive sectors.

Table 2 shows the trend in certain key sectors of the economy between 1980 and 1986. As confirmed by the President of Manufacturers' Association of Nigeria (MAN), industrial capacity utilisation increased by 6.69% in 1987, with the survey index of 30% in 1986 pushing up to 36.69% in 1987. He attributed the increase to a response to government policies under the structural adjustment programme whereby advantage was taken of local material resources utilisation. According to the report issued by MAN, local raw materials import substitution increased from 38% at the inception of SAP to 46% in 1987. It was also evident that there was increase in the level of manufacturing production and sales turnover in some sub-sectors, while others declined, almost threatening total closure, because of weak domestic demand and low sales which discouraged high production and inventory pile-up.

In effect, the implementation of the policy prescriptions is already in place, with some cheering developments that will hasten economic recovery and management. The very tight and severe monetary restrictions imposed last September have been relaxed as shown in the credit policy guidelines for 1988 fiscal year. The two-tier foreign exchange markets have been merged into one Foreign Exchange Market (FEM). The Productivity Prices and Income Policy of 1988 deregulated dividend payment which should witness greater flow of investible funds. Moreover, the exemption of pioneer and young companies from the payment of 10% with-holding tax payable on all dividends will further encourage the promotion and growth of young companies that will want to seek funds from the capital market.

In effect, the following are already evident:

(i) the stimulation of growth in national outputs.
(ii) raising the level of employment in the economy.
(iii) the promotion of increased financial savings and efficient resource allocation;
(iv) moderation of inflation rate, and
(v) maintenance of a healthy balance of payments position.

Either at the sectoral level or individual project's pursuit, there has been a number of important positive landmarks. The NNPC continues to give leadership in key project promotion and completion. The Petro-Chemical plants both in Warri and Kaduna have been completed and commissioned. Their combined output will broaden our production capacity and widen our export market horizon. The recent increase in Natural Gas output and consumption has further brightened the domestic and export markets prospects for the LNG project.

Recently the President commissioned the National Fertilizer Project in Onne, the Polypropylene and Benzene Plants in Bendel, while the Delta Steel Plant after commissioning, is already exporting its Direct Reduced Iron (DRI). The ₦700 million Egbin Therma Station, designed to boost electricity to the Nation was also commissioned.

For the first time in recent years, Nigeria has not only broadened her export base but also is once again exporting coal while gold mining and marble production are being pursued in some parts of the country. Not only are these developments intensifying, the sourcing of local raw materials of the economy is expanding the output and export of the economy.

Inspite of these positive signs, there are some disturbing developments. They arise from delays in implementation leading to unfulfilled and over-lapping policies from one year to another that tend to delay positive results and dampen expectations. The Domiciliary Account first mooted in 1983, was delayed for another two years

TABLE 2

Gross Domestic Product at Current Factor Cost

(Percentage Distribution) 1980—1986

At Current Factor Cost

Year	Agriculture Forestry Fishing	Industry Construction and Building	Mining and Quarrying	Services	Others
1980	20.17	21.16	30.25	24.36	4.06
1981	24.20	13.22	21.47	36.65	4.46
1982	27.59	12.09	18.57	36.98	4.77
1983	31.77	12.73	15.86	34.84	4.80
1984	37.99	8.66	15.95	33.09	4.31
1985	36.19	10.92	16.33	32.84	4.72
1986	41.29	11.20	11.54	32.31	3.66

Source: Federal Office of Statistics (F.O.S.), Lagos.

before it took off. The counter-trade initiated for selective financing of core projects is stalled inspite of assurance to reorganise its modalities for lack of adequate institutional arrangements.

While an articulate business community responded positively to export promotion drive, the modalities for an export guarantee credit scheme are yet to be implemented. The National Strategic Grains Reserve Project first mentioned in 1986 and slated to take off in 1987 is yet to materialise in 1988. The 1988 budget has been described as right in its objective; that is growth, and principle, that is efficient utilisation of resources. However, it appears that its execution is already falling behind schedule. Apart from the fact that the 1988 budget seems to be running behind schedule, developments in the international oil markets are such that the budget expectations may remain unfulfilled. The transfer of duties collection from the Customs and Excise Department to the commercial banks, the autonomy of the Central Bank of Nigeria are a few cases of delay.

Perhaps most disconcerting is the often read stories about public utilities financial delinquencies, especially inter-corporate financial delinquencies, inability to generate funds or collect their debts, while their external indebtedness had led to embarrassing seizure of their assets leading to senseless retaliatory measures at the expense of the public.

Other diversionary elements that often negate rapid economic recovery include inter-community feud over projects location and benefit, including abandoned projects, such as the recent announcement by Dr. Jerry Gana, Chairman of MAMSER, that projects worth N5 billion are abandoned all over the country. All these are public sector projects. There is an undertone of development by destruction as a result of lack of co-ordinations in project execution. Often, newly constructed roads are being dug up to lay water pipes or electrical cables by construction companies that careless to put them in their original states. Only recently was it reported that the Fertilizer Plant in Onne is producing ammonia that is already poisoning Onne River in the vicinity. In effect, the beneficial effect of one project is being quickly negated by such avoidable environmental negligence that results in severe cost to the country, a serious challenge to our management foresight and forward planning.

Our maintenance and sustenance culture lacks all facets of financial, human, technical and support management which cost money, men and materials. Or how do we explain sustaining a steel-reinforced bridge like the Eko bridge that is being maintained with patched muds and bricks that do more damage to the users' vehicles and the bridge itself? Or of what use are those street lights spanning Ikorodu road, part of the Eko bridge, and elsewhere in the country, that have never functioned since they were first installed? And yet we all drive pass as if it makes no difference to our economic activities.

Where conscious efforts are made to provide solutions, negative factors of man's own making tend to negate such solutions. For example, inspite of the various directorates and their functions, poor telecommunication services, low electricity, bad roads, poor drainage system and inadequate water supply are hampering rural integration and industrial take-off.

The complaint from the organised private sector is loud and clear in respect of some conflicting or confusing policy measures. The recent harmonisation of Tariffs has in a large measure the input of the organised private sector; however, some flaws, which rather than protect domestic industries, are in fact, opening them to unfair competition have already been itemised, while some are crying for over-protection that cripples competition.

The continued and sustained depreciation of the Naira is of great concern to all and sundry such that the advantages attendant to the initial depreciation are turning to disadvantages. Nor can there be cheering news in the immediate future unless a managed floating exchange rate, involving the *intervention* and not the *interference* of the Central Bank is evolved. A depreciating Naira against a continuously depreciating US dollar vis-a-vis other world trading currencies should not be allowed to continue without intervention merely because a free market system is being practised.

Nigeria earns about 96 per cent of her foreign exchange in US dollar but about 40 per cent of her payments for goods and services purchased abroad is paid in currencies other than US dollar against which they are appreciating. The consequence is that Nigerian purchase of goods and services from countries other than the United States experienced price increases that are far in excess of the depreciating Naira. It seems to me there ought to be a *floor* and a *ceiling* within which the rate can undulate or meander like a snake and penalties imposed for moving out of the band.

There are three factors affecting the Naira exchange rate that need to be borne in mind. One, is the balance of payments on which total foreign exchange earning is predicated. Total foreign exchange earning is limited by the amount of total export earnings and the demand on the earnings, which from all indications, excess demand for foreign exchange is a given factor. Two, money supply situation is a critical factor influencing the exchange rate. There are indications that monetary and credit aggregates have accelerated than anticipated, so that the developments that led to credit and monetary squeeze in August 1987 are already rearing their heads; the 1988 budget is not only reflationary, but implicitly deficit-financing: The credit and monetary policy of 1988 is relatively expansionary of money supply: all government parastatals have now joined the FEM to scout for foreign exchange, with their petrol naira. All these factors continue to bear pressure on the value of Naira as the autonomous foreign exchange funds dry up, and the official funds become inadequate for the users. Unless Central Bank consciously and directly intervenes in the FEM market to put a ceiling on exchange rate of the Naira, the pressure will continue and the Naira will continue its depreciation against a depreciating US dollar, an anomalous third factor. It should be noted that the Naira that was worth $1.8300 in December 1980 was worth only about 23 cents at the end of March 1988, and the slide may continue.

Nor must we over-emphasize the supply management aspects of our problems without a critical look also at the demand side of the coin. Given the assorted variety of dumped goods seen in our markets today comprising the good, the bad and the ugly in form of expired and dangerous goods, and given Nigeria's insatiable demand for imported and luxury goods, must we continue to open our country to all forms of importation that are beyond our financing capacity? I believe there is need to control importation to this country if the very objective of structural adjustment programme is not to be defeated.

Our quest for and management style of a return to path of economic sanity must not be considered in terms of moving only the "growth areas", or the "growth centres", and the "growth industries" out of recession as synonymous with the whole country, to the neglect of rural areas that cry for development and intergration. Innovative schemes such as the Directorates of Food, Road and Rural Infrastructure (DFRRI), Employment and MAMSER are in the right direction.

These structural changes however, have to be accompanied by certain financial institutional supports. Our financial institutions are too urban-based to the neglect of rural areas.

Support for rural savings mobilisation is negligible. The cooperatives which are designed to aggregate their members' savings in fact serve mainly as conduits for outflow of funds from the rural areas.

Conscious efforts must be made to promote financial intermediaries such as Unit Trusts, Credit Unions, and Savings Associations aimed at financing and intergrating the rural areas into the financial system. The recent financial restructuring which allows commercial and merchant banks to hold shares in industrial enterprises not exceeding 33½% of the shareholders' funds or 10% of the Company's equity is a decision in the right direction. However, the same financial restructuring that now raises the equity base of commercial banks and merchant banks to N10 million and N6 million, respectively desirable as they are, are unconsciously further isolating the rural areas from financial integration. No group of people however patriotic and benevolent will put N6 million to N10 million down to establish such banks in a place other than Lagos or the business-urbanised centres where there will be adequate return on capital. I have no doubt in my mind that such structural innovations as Directorate of Food, Road and Rural Development and Infrastructure; Directorate of Employment and MAMSER are consciously established to open up the rural and isolated nooks and corners of the country to modern development, technical and technological innovations and changes, in order to provide gainful employment to hitherto isolated communities, by taking work to the workers. Already, there is evidence of local crafts, small-scale industries, vocational centres and employment-generating innovations and techniques springing up in those areas. Agricultural produce hitherto left to rot away such as mango fruits, oranges, pepper, pawpaw, tomatoes, grains palm kernel, rubber seeds, all of rural settings are now finding ready markets for them especially export markets, because of the construction of new roads and the provision of infrastructure however rudimentary. Yet our financial system in its structural transformation seems to be further isolating these new areas from monetization, financialisation and commercialisation. Good and absolutely necessary as it is to strengthen the capital base of the banking system through increased equity provision it inadvertently fails to take account of the fact that our banks, especially commercial banks will continue to be lopsidedly concentrated in urban areas, especially Lagos metropolis. Nor can we find lasting solution in forcing the existing banks to opening rural branches, without substantial government guarantees and support. *Our rural areas need their own banking culture and habit, completely different from the cultures of the existing and old established banks. They need smaller capital base within the reach of the local subscribers. They require completely different interest rate structure, and smaller loan portfolio management for the locality they serve.* Banks in less populated and less economically active areas and locations would therefore require a smaller capital amount than banks in more densely populated and greater economically-active areas and locations. It is in order to further integrate our rural areas into the financial system and transformation that I am advocating the following

The establishment of:

(i) Localized banks which can only operate and offer a specified range of services within a defined geographical areas of the country.

(ii) Specialized banks which can only operate within the context of its definition and function. For example, cooperative banks, savings banks and credit banks should operate only cooperative and savings banks' functions and not

merely using those titles to turn to commercial banking.

(iii) Localized banking within specified geographical area of the country with full permissible range of banking activities.

For these banks, there will be need to endow them with a number of incentives to compensate for operating in less attractive areas and starting late. Such incentives would include: lower equity base, lower reserve requirement, interest rate structure and lower tax rate. Depositors' funds under these banks, have to be insured under the proposed Depositors' Insurance Scheme. Such local banks can then establish escrow account and correspondent relationship with the city and old established banks for their international transactions.

Another sector of our economy that should be of concern to the Managers of the economy is the real estate, especially the housing sector, whose problems seem to defy solution, and are as elusive as ever.

There is the recognition of a number of problems and issues relating to housing:

(i) There is excess demand for housing.

(ii) There is inadequate housing stock.

(iii) There is inadequate funding of housing.

(iv) Where there is funding, the cost of housing is getting more and more prohibitive.

(v) There is inadequate housing finance institutions in the country.

(vi) There is over-reliance on government for housing finance, promotion and development.

(vii) The corollary of the above is lack of private initiative in housing finance promotion and development.

(viii) The potential big market for housing in Nigeria is not in doubt but the mere existence and presence of a market potential is not sufficient to assure the establishment of a market. The market problem is the limited number of housing financial institutions in the country that inhibit the translation of that market into reality.

(ix) How do we solve the housing problems in Nigeria where everybody wants to build to let?

(x) How do we solve the housing problem in Nigeria where housing develops ahead of infrastructures? There is no part of the country today, however rural, urban or grown where housing projects and constructions do not outstrip the infrastructural developments.

The housing problem in Nigeria therefore is like the dialogue that ensued between a Manager/boss and his workers/labourers as to the purpose of digging a hole. The dialogue runs thus:

Boss: Labourers, why are you digging that hole?

Labourers: So that we can earn money.

Boss: Why do you want to earn money?

Labourers: So that we can eat.

Boss: Why do you want to eat?

Labourers: So that we can be strong.

Boss: Why do you want to be strong?

Labourers: So that we can continue to dig the hole.

And the vicious circle continues, yet the completion of the digging of the hole is not in sight. Gentlemen, we have danced and dug round the problem facing housing finance for too much and for too long a time that a definite solution is called for. It is in this context that I am suggesting the promotion of additional housing institutions all over the country, especially through private initiative. They should be capable of mobilising savings, both rural and urban, which can be employed in financing housing either directly to the housing financiers or indirectly through the secondary markets. These will include:

(a) building society investors/ promoters

(b) building society borrowers

(c) building societies as institutions

(d) other institutions such as:

(i) mutual savings banks;

(ii) savings and loan associations;

(iii) mutual trusts;

(iv) mortgage companies.

Finally ladies and gentlemen, I have given you my own concept of the theme of this gathering in broad outline. Other distinguished speakers will be going in greater detail to specialised topics of our economy such as:

(i) "Monetary and Fiscal Policy to Boost Nigeria's Economic Recovery"

(ii) "Role of Public and Private Sectors in Achieving a Bouyant Economy".

But I want to end my presentation with a joke often heard about West African countries leading a delegation to God to complain about Nigeria. God, as alleged, has a bias for Nigeria by endowing her with large population, expansive area of land, limitless resources, such as solid and oil minerals, plenty of rainfall, economic trees and cash crops, water resources, *et cetera*, occasional drought and erosion notwithstanding. However, God in His bias against the other West African countries endowed them with dry land that is sparsely populated, with little or no factor endowments.

In His reply, God was reported to have said in a bemoaning and sonorous voice as follows:

"My creatures of West Africa, do not be jealous of Nigeria, but wait and see the kind of people who will manage those resources".

That, ladies and gentlemen, is the challenge that all the distinguished managers of commerce, industry, finance, agriculture, *et cetera*, all gathered here this morning face for the management of our economy now and in future. And in my definition of the manager, I include the office cleaner, messenger, and the driver because each, like all of us up to the Chief Executive has a role to play.

Chief S. B. Falegan is the General Manager, Public Sector Finance, First Interstate Merchant Bank, Lagos.

1st Class Quality at Competitive price.... makes

APEX PAINTS

your best choice

Price from ₦22.00

Whatever your painting needs *Apex Paints* has the answer — COLOUR RANGE, DURABILITY & PROTECTION.

SUPERTEX — ***Textured Wall Coating***
— for aesthetic beauty and all weather protection.

BETALUX — ***Gloss & Emulsion***
— for discerning customers for whom only the best will do.

DECORA — ***Gloss & Emulsion***
— everybody's favourite at affordable prices.

GAYCOTE — ***Gloss & Emulsion***
— for the budget-conscious at unbeatable prices.

FACTORY & HEAD OFFICE: KM 93, LAGOS-ABEOKUTA ROAD, P.O. BOX 2073, ABEOKUTA, OGUN STATE. TEL: 039-230714

Apex Paints
...A shade better

csl

aapn/0061

MONETARY AND FISCAL POLICY TO BOOST NIGERIA'S ECONOMIC RECOVERY

By

Chief (Dr) Alhaji M. S. Umoru (MNIM)

Preamble

IN discussing the issue of "Monetary and Fiscal Policy to Boost Nigeria's Economic Recovery", sustained growth and self-reliance, two main questions need to be answered. First, what determines the over-all rate of economic advance? Second, what is the optimal allocation of given resources to promote growth? The need for answers to these questions arises from the standpoint of some analysts of growth rate who relied mainly on Keynesian tools and thereby produced a multiplicity of aggregate growth models.

In the field of resource allocation, controversy centres around the implications of the classical principle of comparative advantage, according to which growth is promoted by specialisation. The defenders of this principle drew their inspiration from David Ricardo, J. S. Mill, and Alfred Marshall, while the lines of attack stem from Friedrich List, J. A. Schumpeter, A. A. Young and J. H. Williams. The chief criticism is that comparative advantage is essentially a static concept that ignores a variety of dynamic elements.

This issue is of great practical importance to Nigeria in the area of allocation of investment funds and other scarce resources. This, I believe will help to discover a more workable principle for the formulation of development policy. I am not saying however, that the development of an adequate theory is only the first step in formulating economic policy. To reach practical conclusions, in my opinion, it is also necessary to specify the environment in which the policy-maker functions; the general objectives, the policy instruments to be considered, and the information available. I feel very strongly that the theory must be combined with these elements in such a way as to yield guides to action of "Decision Rulers" for particular situations.

Although the growing science of operations research is concerned with the development of decision rules for business and military operations, less progress has been made in developing an operational approach to long run economic policy.

Tinbergen (1956) and Frisch (1958) have outlined a general frame-work for policy analysis. In this field, the failure to specify adequately the decision-making environment and to distinguish between decision rules and the corollaries of pure theory has led to considerable confusion in recent years, in this country. And because the information needed for overall economic analysis is available to a very limited extent, decision rules or investment criteria have been based on partial analysis:

1. Factor-intensity Criteria,
2. Productivity Criteria, and
3. Programming Criteria based on accounting prices

(See Appendix 1 attached)

Again, it has to be emphasized that the ability of a developing economy to adapt easily to rapid structural change depends largely on elasticities of substitution in demand, production and trade. Experience indicates that growth is more likely to be impeded by shortage of specific inputs than by a general scarcity of resources. Disagreement over the extent of potential substitution therefore lies at the heart of some of the major issues of development policy.

Differences in substitution assumptions have been closely related to the time period considered. Neoclassical theory has been mainly concerned with conditions of long-term equilibrium in which physical and human capital can be transformed into whatever specific form that is most appropriate. I have the strongest feeling as an industrialist that development policy must take cognizance of longer planning horizons of five and ten to twenty years. See Chennery and Raduchel (1971). The extent of substitution that can take place within this period would normally depend on factors such as the magnitude of the additions to the stock of capital, the mobility of labour among sectors, and the rate of assimilation of new agricultural techniques. The degree of substitution that should be assumed for policy purposes is thus somewhere between the complete flexibility of the long-term and the technological rigidity that characterises most planning models.

Proposals for avoiding the bottlenecks that hamper development have tended to concentrate on a few specific aspects of this problem:

Increasing flexibility through trade, more appropriate (labour intensive) technology, or changing the composition or imports.

General equilibrium theory postulates series of transformations by which factors of production are combined to produce social welfare. Four types that are important to the empirical analysis of resource allocation can be distinguished as follows:

(a) Transformation of generalized factors of production (Capital, Labour Natural Resources) into specific factors such as capital goods, skilled labour and irrigated lands;
(b) Transformation of specific factor services and raw materials (plus other inputs) into finished products:
(c) Transformation of exported commodities into imports by means of international trade and
(d) Transformation of commodities and services into "Social Welfare" in accordance with individual and social preferences.

Each type of transformation allows for some degree of substitution among inputs in producing a given level of output. Experience has shown that direct substitution among factors occurs in the first two types, which include all activities of physical production. Types (c) and (d) involve substitution among commodities. These transformations provide indirect means of substituting among capital, labour, and land by varying the composition of trade or final demand within specified constraints.

Planning models customarily allow for some substitution through trade but tend to exclude the other possibilities. Apart from trade, each transformation function is often stated in the form of a sector of inputs required to produce a given level of output—of skilled labour, steel, food or "Welfare". Linear programming models of resource allocation have always been formulated on those assumptions. See Chenery and Kretschmer (1956), Bruno (1966), Eckaus and Parikh (1968). Again indirect substitution through international trade has always been limited by the range of variation in factor proportion available to produce tradeable commodities and by the elasticity of demand for exports. Empirical studies based on this type of model typically show a rather restricted slope of substituting labour for capital.

In every case, the degree of substitution that should be included in more realistic planning model depends to a large extent on the time period considered. Fixed coefficient planning models have been found to be most appropriate to periods of less than five years, in which indirect substitution through changes in demand or trade outweigh the direct substitution possibilities.

I have discussed the foregoing points thus far as they are, to my mind, acute and require national awareness and concerted efforts toward resolving them. In view of the limited time and space available, I would now like to direct attention to issues that are particularly germane to Monetary and Fiscal Policy to boost Nigeria's economic recovery, sustained growth and self-reliance.

Increased productivity: The only guarantee for Nigeria's Economic Recovery, Sustained Growth and Self-reliance

The only guarantee for Nigeria's economic recovery, sustained growth and self-reliance, lies in 'Increased Productivity''. Think what that means: Doubling productivity means halving the cost; and cost determines price. Halving the price, means doubling the purchasing power of the Naira. 'Increased Productivity' is the only thing that will enable Nigeria to pay her debts without tears, reduce inflation and raise the standard of living of Nigerians. Again, 'Increased Productivity' is the only available source of material strength for Nigeria to ensure peace and stability within the country, and the only effective means for Nigeria to ensure the safety of her borders.

Therefore, "Monetary and Fiscal Policy" must always be geared toward that objective—'Increased Productivity'. I know that we now live in a world of intergrated economy and what happens at the other end of the world has an inevitable effect on our end. Despite the adverse influence from external sources, 99.99% of Nigeria's economic problems were centered around her inability to religiously gear policies towards 'Increased Productivity'.

It was in 1982 that the Shagari administration introduced "Economic Stabilisation Measures". The purport of that measures was intended to support local industries so as to increase local production and thereby reduce the high rate of unemployment. Unfortunately, the same administration lacked the courage and political will to see the policy through as import licence procedure became long and unproductive. Complaints were rife that applications waited up to 6 months before approval for those who were lucky to receive them. More import licences were granted for consumer items than for raw materials and spare parts, and a great percentage of licences that were for raw materials went to shop-owners and hawkers who owned no industries. There were no clear guidelines on priorities for allocating import licences and foreign exchange by the Central Bank of Nigeria. Even the manufacturers that got licences got quantities that could only last for 2 to 3 weeks' operation and at a considerable cost, through the noxious instrumentality of "kick-backs".

After having obtained the licence, it was equally difficult to obtain 'M' Form let alone having it approved. Quite often, the CBN used the 'M' Form to impose its own restrictions and a stage was reached where the 'M' Form could only be obtained after having paid a substantial price to corrupt officials. On many occasions, several companies with valid import licences lost considerable amount of time waiting for the approval of 'M' Forms. Again, a stage was reached were bank officials had to be bribed to secure foreign credit allocations.

The other thing was the delay in payment to overseas suppliers which further compounded the problems of importation. When the CBN allowed the trade debts to accumulate, suppliers started to insist on confirmed letters of credit which were not forth-coming because confirming houses overseas had refused to confirm letters of credit emanating from Nigeria. Consequently, many industrial firms used up their stocks of raw materials and could not replenish. Others started to work fewer days and shifts. Side-by-side with this awful economic and social landscape, was the foreign borrowing habits of the Federal and State Governments. These habits resulted in the changed composition of foreign capital inflow and thereby made Nigeria more vulnerable to external payment difficulties, mainly because interest payments on debt were always due, while those on equity were payable when investment earned a positive return. There was also the problem of the volume of Naira in circulation as up to 70% of the total volume was not in circulation and President Shagari vetoed the effective move to force it out of hiding. It was this horrendous situation among others, that led to the second over-throw of civilian administration by the military men on 31st December, 1983.

General Buhari's administration kicked off very well by forcing the Naira currency out of hiding and formulating for the first time in the economic history of this country a policy of economic self-reliance. That administration insisted on local sourcing of raw materials for industries and formulated a policy for aggressive development of linkage industries. Typically, this laudable policy was miscarried at the implementation level of government. The administration suddenly found itself engulfed in economic management crises. It panicked and opted for counter-trade and the Central Bank of Nigeria unpardonably failed to exercise its professional role in government by allowing the counter-trade to be used to import commodities into the country instead of using it to meet requirements to enhance productive activities upon which the poor were heavily depended. And because that government promulgated a decree to its own chagrin never to criticise government officials who were openly working against its established objectives and public interest, the Buhari administration gradually developed undetected decay; and productivity was close to zero. All these were among the problems that necessitated the overthrow of that administration by the present Babangida administration.

This change in leadership did not make the CBN to change its management style. It was Mr. A. Ayida who first decried the complex nature of public sector management in a military regime in a paper he presented in 1973 at a conference of the Nigeria Economic Society as the President of the Society. Mr. Ayida distinguished five categories of advisers and pressure groups associated with the formulation of policies in a military administration and that if civil commissioners (Ministers) appeared to exercise less power than the ministers in the first civilian administration, it was not because their functions had been usurped by Permanent Secretaries and other senior civil servants, but because authority resided in the military. He further argued that Federal Commissioners (Ministers) and senior civil servants were fellow advisers to the "Powers-that-were" who sometimes received their advice from outside the two groups to their mutual frustration and suspicion. In implementing Monetary and related Fiscal Policy of government therefore, the CBN should have realised this situation and accordingly evolved a method managerially of functioning within the system in a manner that will make the "Powers-that-be" to appreciate the unique professional role of CBN which must not be assailed.

As the "Powers-that-were" saw that the CBN did not hold its professional grounds in its professional role in government, and that its staff were merely serving to keep their jobs, they got hypnotised by the World Bank and IMF officials who had done their home-work (although based on premises unrelated to local situation and environment), and were able to hold their grounds in giving professional advice to military leaders unversed in economic technicalities, Nigeria was gradually turned into a kind of testing ground of text-book economic theories in complete disregard of the entire scheme of human values. Consequently, the 1986 Budget collapsed within 5 months of its introduction and the government panicked into the adoption of SFEM as an aspect of the Structural Adjustment Programme. This has resulted in the present artificial exchange rate of the Naira to the U.S. Dollar.

The true position is that, as at 31st December, 1983, it was reported that the Naira exchange rate for one U.S. Dollar was ₦1 to $1.3326. Between January 1984 and February 1986, the average rate of exchange was ₦1 to $1. And between 1st of March, 1986 and 26th September, 1986 (under the World Bank and IMF pressures), the exchange rate for one U.S. Dollar was ₦1.192. And yet the CBN allowed itself to be bulldozed into using artificial rate of ₦3.6 to $1 to do the bidding exercises. This was done by CBN and/or by the government on the basis of one-sided fallacious argument that the Naira currency was over-valued and should be depreciated through floating, because "it was cheaper to purchase a tonne of palm oil from Malaysia compared to that of Nigeria" without a careful and exhaustive analysis of what was responsible for the prohibitive local cost of production. The economic advisers managerially failed to analyse all the implications for sound economic decisions to be taken by government.

As a result of this ill-advice, we now do not know what to do with the ₦6.8 billion shortfall which has arisen from the artificial fluctuation of the value of the Naira. The Federal Minister of Finance has said that there was no way the Federal Government could absorb the colossal amount without resulting in national bankruptcy for Nigeria. The private sector has also said that there was no way it could absorb the colossal amount without resulting in private sector bankruptcy. What all these mean is that, by using Nigeria as a test ground of text-book theories in Economics, the whole nation is now in a state of bankruptcy. The tigers in sheep's skin knew very well that there is no at least short-run and medium run economic merits in floating the Naira currency. They knew very well that the strength of the Naira lay in its inconvertibility but failed to advise accordingly. Again, it was reported that up to $450 million was borrowed from the World Bank to fund SFEM. This means using long-term loan to finance recurrent expenditure—a practice unheard-of in the annals of economic history, and the economic advisers knew it, but failed to advice against this. A good number of developed countries such as Sweden, Denmark, Canada and Australia specialised in exports based directly on their natural resources during the period of transition, and it was later that the savings from this approach were properly invested in the development of exportable manufactured goods and services and yet the economic advisers ill-advised the leadership in favour of making export of primary produce free for all and such exporters are allowed to keep 100% of the proceeds which they have used to import commodities and dump them on our market at the expense of local industries in the face of a general awareness of the need to diversify our sources of foreign revenue to supplement the short-fall in earnings from the oil sector. Again, no one needs to be told of the importance of domestic price stability in all development plans and the accompanying projections and yet the economic advisers and government could not see anything wrong in the ridiculously low prices farmers get for their produce up north, and the artificially high prices farmers get for cocoa, coffee, *et cetera*, down south. Obviously, these prices are not good enough as basis for future development plans.

Again while the government was emphasizing economic self-reliance and asking manufacturers to aggressively embark on local sourcing of raw materials, there were reports during 1987 that the government was foreign goods oriented. For example there were manufacturers of farm equipment in Nigeria, and the government went ahead to purchase similar equipment from India. Again, there were manufacturers of speed boats in Nigeria, and the government went ahead to purchase similar boats from South America; and there were manufacturers of terylene viscose and terylene wool worsted fabric in Nigeria suitable for army uniforms, and yet the government went ahead to buy similar materials from overseas, *et cetera*.

It was Nurkse (1959) that stressed that the pattern of growth of domestic demand should be the principal determinant of pattern of output expansion. If the govern[ment] refused to consume local produ[cts] how can industries expand outp[ut]. Each industry advances along expansion path determined by income elasticity of consu[mer] demand for its product. Nur[kse] (1959) emphasized that this sim[ple] idea must be the starting-po[int] any expansion of production domestic markets by develop[ing] countries in so far as exte[rnal] conditions do not favour productional pattern of gro[wth] through manufactured export tra[de]. See also Nurkse (1961 page 25[...]

The question at this stage is, ho[w] has 1988 Budget planned [to] remedy this situation.

1988 budget and increased pro-ductivity stance

One of the major proble[ms] encountered in 1987 that broug[ht] 'Increased Productivity' close [to] zero in sectors of Nigerian industr[y] is the liquidity problem. As explain[ed] by the Honourable Minister [of] Finance, Dr. Chu Okongw[u] (Nigerian Tribune, Tuesday Januar[y] [...] 1988 page 7), the Monetary and Credit policy of government ha[s] been designed to:

1. Stimulate growth in nationa[l] output
2. Promote increased financia[l] savings and efficient resource allocation;
3. Generate employment;
4. Moderate inflation rate; and
5. Maintain a healthy balance of payment position.

Accordingly, the following monetary and credit policy targets were introduced as follows:

		1988	1987	Variances
		%	%	%
1.	Growth in money supply	15	11.8	+3.2
2.	Growth in aggregate bank credit	8.1	4.4	+3.7
3.	Expansion in credit to government	2.5	1.5	+1.0
4.	Growth in credit to the private sector	13.3	7.4	+5.9

Although the budget is a deficit one by about ₦8 billion, I do not share the fears expressed in certain quarters that it would be inflationary, provided the deficit shall be used to establish an effective system that:

(a) Will increase 'Linkage' of the poor to the faster growing segment of the economy so as to increase the flow of indirect benefits; and

(b) Provide much greater direct support to the productive activities upon which the poor are heavily dependent and which have the potential for efficient expansion.

In real terms, it will be helpful to know the extent to which the 5.9% increase in growth in credit to the private sector will help to achieve the desired 'Increased Productivity' to boost Nigeria's economic recovery. As majority of industries in 1987 operated at an average capacity utilisation ratio of 25%, the following illustrates the impact of the 5.9% credit growth to the private sector.

	Sector A	*Sector B*	*Sector C*
1 Productivity at 7.4% credit to the private sector in 1987			
Installed Capacity Ratio	100%	100%	100%
Capacity usage Ratio	90%	90%	90%
Capacity Utilisation Ratio	35%	20%	20%

	Sector A	*Sector B*	*Sector C*
2. Productivity at 13.3% credit to the private sector in 1988			
Installed Capacity Ratio	100%	100%	100%
Capacity usage Ratio	90%	90%	90%
Capacity Utilisation Ratio	37.07%	21.18%	21.18%

This means that if liquidity is anything to go by, the manufacturing sector cannot contribute significantly to ameliorating the unemployment problem of this country during 1988, even if the manufacturing sector gets additional 75% of the 3.7% growth in aggregate bank credit, 60% of the 1% increase in expansion in credit to government and 48% of the 3.2% growth in money supply.

If all these conservative estimates are considered, the capacity utilisation in 1988 in the manufacturing sector shall be as follows:

		Sector A	*Sector B*	*Sector C*
	1987 Capacity Utilisation Ratio	35%	20%	20%
1.	Add: 48% share of growth in money supply in 1988	1.54%	1.54%	1.54%
2.	75% share of growth in Aggregate bank credit in 1988	2.78%	2.78%	2.78%
3.	75% share of growth in credit to the private sector in 1988	4.43%	4.43%	4.43%
	1988 Capacity Utilisation	43.75%	28.75%	28.75%

This assumption has taken cognizance of the recent circular by the Federal Government to ministries and parastatals never to purchase anything from outside the country which is manufactured locally. Again this assumption has taken cognizance of the fact that 16% of commercial banks' total loans and advances shall be allocated to small scale wholly owned Nigerian enterprises. What is not considered is the directive to banks to convert loans funds to equity in small—and medium-sized agricultural and manufacturing enterprises. The same applies to the possibility of funds arising from 4 to 7 years in respect of repayment of loans to farmers of cash crops with relatively long gestation periods such as palm plantation, cocoa, *et cetera*, from 5 to 7 years in respect of loans to farmers engaged in large capital outlay and from 15 to 20 years in respect of loans for residential building construction.

Foreign assistance required to sustain 'increased productivity'

As I emphasized in a forum such as this before, in general terms, higher levels of concessional assistance by developed countries, and improvement in international markets would make higher growth rate possible between now and the year 2000 for Nigeria. This assumption corresponds to the optimistic alternative used in the projection for the World Bank in 1979. An increase in growth in Nigeria from 4.7% to 5.7% for example will require an increase in foreign exchange availability of about the same magnitude (See Appendix II attached). The international policy required to achieve such an increase includes substantial trade liberalisation by developed countries, particularly properly co-ordinated products that can be exported by Nigeria and an increase of some 20% in concessional lending to Nigeria side-by-side with the rescheduling of existing debts. Equally important is the provision of skilled manpower and transfer of technical skill through foreign assistance which the current artificial Naira rate of exchange is negating. Thus the allocation of external loan funds in particular has now provided one of the central problems for our modern theory of development.

As mentioned already in this paper, it is unheard of in economic history of the world to use long-term loans to finance re-current expenditure. According to MAN report for June 1987, of the $450 million loan from the World Bank to fund SFEM, about 48% of it was used to import spare parts, raw materials, *et cetera*, for manufacturing industries and 53% was used to import finished goods into the country. Needless to emphasize that foreign loan funds should be used to finance productive activities in order to eliminate the present unemployment problems.

The possibilities of securing rapid and sustained development by effective use of foreign assistance have been strickingly demonstrated by such countries as Greece, Israel, Taiwan and Phillipines. In each case, a substantial increase in investment financed largely by foreign loans and grants led to rapid growth in GNP followed by a steady decline in the dependance on external financing. Not only was growth accelerated by foreign assistance but the ability of each economy to sustain further development from its own resources was very substantially increased. This conclusion is documented in more detailed studies of Israel, Greece (Adelman and Chenery, 1966), and Taiwan (Jacoby, 1966).

There is the general agreement on the principal changes that characterized this transformation:

1. An increase in human skill. The government is doing its best in this direction by laying emphasis on technical education.
2. A rise in the level of investment and saving. This is a mirage as the artificial exchange of Naira rate has thrown the country into a state of bankruptcy.
3. The adoption of more productive technology. Again, because no one can afford the colossal volume of Naira to import a more productive technology, there is obviously no chance for our manufactured export to compete on the international market.
4. A substantial change in the composition of output and employment; and this cannot be achieved when industries operate below break-even point and
5. The development of new institutions and so forth. This, of course, should be as a result of a properly co-ordinated revenue both from local and foreign sources.

When IMF loan was ruled out, what I had expected was for us to arrange for accelerated growth from our own resources or from imports paid by exports. In order to succeed, I expected simultaneous increase in skill, domestic savings and co-ordinated export earnings as well as allocation of these increased resources in such a way as to satisfy the changing demands resulting from rising levels of income. The attempt to increase output can be frustrated by failure in any one of these requisities, even when the others have been quite successful. When growth is limited in this way by a few bottle-necks, there is likely to be under-utilisation of other factors such as natural resources, labour and specific types of productive capacity and hence our present unemployment problem. By relieving these constraints, foreign assistance can make possible fuller use of domestic resources and thereby accelerate growth. Some of the potential bottle-necks of skills, savings, or foreign exchange can be temporarily relaxed by adding external resources for which current payment is not required. More efficient use can then be made of other resources so that growth of total output may be substantially higher than would be permitted by the rate of increase of the most restrictive domestic factor.

Conclusion

For a developing country of the size and potential of Nigeria industrialisation is the only way to rapid economic and social transformation. Before the emergence of the present Babangida Administration (immediately after the First Republic), Nigeria turned out to be a country of self-seekers. National interest was made to rank as second in importance. Every successive government promised hope and on the hill of every promised hope were self-seekers. I was almost calling for a careful review, re-examination and re-appraisal, of our economic development beliefs and methodology. In my address to the Institute of Chartered Accountants of Nigeria on 26th June, 1986, at Palace Restaurant Kano, I cried out that the economic theory and practice as we knew it, no longer appeared to fit in well with Nigeria and that the time had come for us to ask ourselves the painful question whether it would not be necessary to stigmatize selfishness and self-centredness as national evils whose elimination could help us chart our path to national economic development. That was a challenge to Professor Aluko and members of his class. At that time, I felt that to continue to preach nationalism and patrotism to Nigerians without a proper assessment of their economic development beliefs and aspiration was, to my mind, like 'Preaching a religion to a hungry man" and/or pouring a lake into a bottomless tumbler. I stood against coups and counter-coups in searching for answers to our economic problems; and I am still vehemently opposed to any form of disturbance to the present transitional programme of government.

It is now over 25 years that Nigeria attained her independence and because of the different worlds in which policy-makers and the implementers of government policies continue to live, the manufacturing sector of the economy has been unable to make significant impact on the structure of the economy by way of appreciable contribution to the GDP, to the provision of employment, to the enhancement of the value of natural resources, to the foreign exchange earnings and to the promotion of wider and more effective linkages among the different sectors of the economy. The sector has also been rendered unable to contribute significantly to the attainment of self-reliance in the supply of goods. A simple example is the cash cheque reported in 1986 to have been sent to the front-line states. If we are seriously concerned about industrializing this country, and if it is true that the money sent to the front-line states was for the repairs of the buildings affected by the South African raid, why was it necessary to send cash? Why did the government not create employment at home with the money by paying Naira currency to local building materials manufacturers and ship them to the affected front-line states? There is absolutely no justification for this action no matter how the economic advisers may strive to explain the rationale. And this mistake should not be repeated in the future. See Nurkse (1953) and Appendix II. It is for this reason I commend Babangida Administration for making Ministers the Chief Executive Officers of their various ministries during 1988, and for making CBN an autonomous body.

Recommendation

1. The government has made it clear that the value of the Naira is dependent on the exchange rate of the Naira and the price of crude oil in the international market. This is not in the best interest of the Nigerian economy for the following reasons:

(a) Due to the fact that the International oil market is plagued with uncertainty and instability; and also considering the fact that crude oil is Nigeria's major source of foreign earnings, it is a bad management jurisprudence to attach its currency value to such an unstable element. This indicates that any slight fluctuation in the oil market will dramatically affect our exchange rate in a constantly fluctuating manner. This obviously will not allow room for effective implementation of monetary and fiscal policy of government, no matter how well articulated.

(b) Though the 1988 budget recognizes that irresponsible bidding was prevalent in the foreign exchange market and steps have been taken to keep this irresponsibility among bidders at bay, it goes to show that the foreign exchange bidding system is still experimental and as such to attach the value of our currency to an experimental system makes 1988 budget once again, experimental, and thereby making the chances of success at the implementation very slim.

In consideration of the above stated facts, it becomes apparent that the functions of the CBN as the custodian of our economy is under-stated in terms of the fact that it can be a financial clearing-house instead of fiscal policy formulator and administrator. This makes nonsense of CBN autonomy that has been proclaimed.

2. Though the reduction of the defence budget in order to promote other sectors of the economy is a noble cause; Nigeria cannot live in a self-made fantasy world. The realities of today are as follows:

2.1. Libya is rumoured to be posing a threat to Nigeria through the Chadian border.

2.2. Civil war persists in Chad.

2.3. Cameroun has on more than one occasion violated the security of Nigerian border and in the process killed some Nigerians.

2.4. The Federal Republic of Nigeria has received threats upon threats from the South African Government. Considering that South Africa has one of the best arsenal in our hemisphere, she should not have been taken lightly.

As 'Increased Productivity' is only possible under secure atmosphere, the Defence budget reduction is not justifiable.

3. It is appreciated that the government has recognised chaos as it is prevalent and exhibited in our society, i.e. armed robbery/riots. Ear-marking ₦200 million for the Police to facilitate effective crime prevention is highly commendable. But it is to be noted that machines and equipment don't catch criminals; people do. In this respect, the government should equally consider steps to boost the police work-force to make it be at least 75% preventive and 25% curative.

4. The recognition by Government of the danger inherent in increased level of unemployed school leavers is commendable. The government's measure includes reduced re-discount rate, revitalization and revival of the construction industry, renovation of transportation and aggressive development of co-operatives and agriculture for self-employment. Despite all these, the government is yet to provide measures to reduce unemployment in the long-run.

For example, in 1987 the Directorate of Employment provided jobs for 2000+ people whereas within the same period, the Nigerian Airways/Nigerian Airports Authority retrenched 3000+ people. This situation shows clearly that during that period, the unemployment problem was not addressed adequately. All that was prevalent was short-term solution. The 1988 Budget does not make clear the unemployment issue, though it has clarified the employment issue.

5. The earnings from the oil sector are very much unpredictable. Therefore, there is need to properly co-ordinate exportable primary produce to supplement the short-fall in oil revenue and the total revenue properly channelled to the productive sector of the economy. This will also help to stabilize prices at home and thereby create basis for proper planning. See Appendix IV attached.
6. Comparative advantage is not static; it is a dynamic thing and the economic planners should take cognizance of this in their resource allocation.
7. As 'Increased Productivity' is the only guarantee for Nigeria's economic recovery, sustained growth and self-reliance, all economic development plans should have 'Increased Productivity' as the main objective at least for the next ten years.
8. The new tariff structure is capable of providing adequate time frame for existing industries as well as new entrants to programme investments. Also the structure assures protection for investment in primary and linkage industries. The government is highly commended for its realistic approach to the difficult economic situation that we are in and in its genuine quest for 'Increased productivity' in the system.
9. Again, the steps taken by the government to graduate the level of effective protection for industries to reflect government's new policy of attracting investments into the primary and intermediate sectors of the economy is a very sound management jurisprudence and a most realistic step to boost economic recovery and sustained 'Increased Productivity'. This move should be encouraged and fostered in every possible way.
10. Although the decision to make ministers the Executive Officers of their ministries is good, it has to be pointed out that it will be suicidal to push the decision to the extreme by making the Permanent Secretary's position a political one and thereby remove the ministries from the existing civil service rule.

Thank you.

APPENDIX I

(a) Factor Intensity Criteria

(i) Statement of this type occurs in many economic writings of the 1950s. Buchanan (1945) was among those to state this criterion for investment in underdeveloped countries and to base policy recommendations upon it.

(ii) A vigorous analysis of the validity of marginal and average factor-output ratios as indicators of optimum allocation in a two-factor system is given by Bator (1957).

(iii) A closely related allocation criterion is the capital intensity. The ratio of capital to labour. This test is derived directly from the Heckscher-Ohlin version of the comparative cost doctrine. Which means if the same production function exists in all countries and if capital is scarce relative to labour in the developing countries, comparative advantage in the latter can be identified by low capital-labour ratios. This approach does not assume that labour has zero opportunity cost, as does use of the capital-output ratio, but only that the ratio of labour cost to capital cost is lower than in the country's trading partners.

(b) Productivity Criteria

(i) Survey of marginal prod vity and other investm criteria is given by Caste (1959), Vaidyanathan (19 and the United Nations (195

(c) Programming criteria accounting prices

(i) The programming approa to resource allocation beg with the problem of balanc supply and demand f different commodities a factors of production. One the earliest attempts at form lating a comprehensive dev lopment programme for a under-developed area wa Mandelbaum (1945). The main test of resource alloca tion is the balance of deman and supply, for each sector and factor of production.

(ii) The development of mathematical programming methods makes it possible to carry out this type of analysis in a much more precise way. In severa countries, consistent development programmes have been formulated by using input-output analysis, as in the studies of Economic Commission for Latin America (U.N., 1957, 1959 and 1960). It was only with the development of linear programming however, that it became possible to reconcile the consistency criteria and the productivity criteria in a systematic way.

(iii) The assumption of linear programming and methods of finding solutions to programming models have been discussed in a number of publications, such as Dorfman, Samuelson and Solow (1958).

(iv) The use of shadow or accounting prices in evaluating projects was supported by Tinbergen (1955 and 1958), Frisch (1958 and 1959), and

Continued on page 26

ROLE OF PUBLIC AND PRIVATE SECTORS IN ACHIEVING A BUOYANT ECONOMY.

BY DR. C. P. EZEIFE

THE statement of the topic of this lecture already implies an ideological choice of, let us say, "modern capitalism" as provided for in the 1979 Constitution of the Federal Republic of Nigeria where it is called "mixed economy", a term which has been subjected to so much abuse even though it remains the only existing economic system today! The problem with the concept of mixed economy is that it is, like the political concept of democracy, too elastic—so elastic that it encompasses the economic stystems of the U.S.A. and USSR. Perhaps, it is better to describe economies as predominantly capitalist or predominantly socialist/communist. I am not in this paper going to follow my pattern of going direct to the point, because, as will become obvious, the point has already been made. I will today dabble into an area which fellow professional economists justifiably avoid. Indeed, I believe it should be wrong to dodge discussing the ideological content of this topic even though I am not equipped to deal with it in depth. I can, at least, state an opinion and expose my ignorance. Indeed, as I set out to write, presuming that I am reacting to some stimuli from both the intellect and experience, those better equipped in this area, may see me as merely rationalising my "comprador" class interest, since, according to their tradition, it is my being that determines my consciousness, and not otherwise. I really get lost when the language of discourse is dominated by words and phrases like: dialectic, internal contradictions, expropriation of the expropriators (which creates no new expropriators), surplus value, comprador capitalist, petit bourgeois, proletariats (like our brothers working as clerks and messengers in the Customs Department) and peasants (meaning our mothers and fathers in the village whom we lobby for a good portion of their land to build on).

Socialism, (a necessary step towards "inevitable" Communism) Everywhere on the Retreat

It appears to me that what the Nigerian socialist is doing is to paint stripes on a donkey, and, believing he has made a zebra out of it, he proceeds to characterize it as such. Capitalism has retreated so far from what Marx saw and wrote, that I doubt that Marx himself who emphasized the historicity of epochs can identify modern capitalistic economies as what he described in his works—not that he will not see private ownership of capital and means of production, but absent will be, the deprived, dehumanised, alienated prolateriats—the raw materials of socialist revolution. I wonder what Marx will call the class of people who prefer social security benefits to working for pay—a leisured class or the reserved army of the unemployed? Marx described the *concrete realities* of 19th Century industrial revolution in, mostly, England, and our socialists lift those *concrete realities* right from the pages of his books and try to force them on the empirical context of Nigeria. They then proceed to blame others for not seeing what their powerful minds are able to reflect from book to the ground. Our socialists (or all of us, for we are all "socialists") should take a natural look at Nigeria as it really is in an effort to attain "self clarification".

What a socialist is, or should be, is implied in Comrade Ola Oni's repudiation of Omoboriowo's claim that Awoism is socialism. Oni wrote: "Awoism rejects Marxism. It does not accept class struggle. It cannot subscribe to atheism. It rejects dialectical materialism. It does not support bloodshed and violence before establishing socialism. It believes socialism can be achieved by peaceful, gradual processes". "(To regard Awoism as socialist)... falls in line with revisionism of all pro-capitalist intellectuals who want to substitute their idealistic utopian wishful thought for the *concrete reality* which Marxism has depicted and which experience has collaborated... (Awoism) cannot be socialism."

If socialism is the negation of the position of Awoism on the issues raised, what does the *concrete reality* of Nigeria today say about our readiness for socialism? Who is failing to recognise the *concrete reality*, or adopting the *concrete reality* of another society in an epoch long gone?

In any case do we have to rush to socialism unless we first understand why orthodox socialism as a practical economic system, is today everywhere on the retreat. The retreat started from the periphery (e.g. Hungary) but today even USSR has joined. The reason for retreat may be "revisionism", but I doubt that bread and butter, salt and pepper or material production power, has nothing to do with it. We needn't even bother about the prospects of the systems—their advances and retreats. True believers in communism can always take solace in their belief in its inevitability. So, it does not really matter what Nigerian apologist capitalists think or write. They may even, by their actions and inactions, hasten the day of "inevitable" communism. I have suggested elsewhere[2] that Nigeria should properly embrace the concept of mixed economy by rationally choosing the degree and elements of the mixtures: taking the best from capitalism and socialism to build an economy and society based on progressionism—if an ism we must have.

Achievements of the Systems

It is not easy to judge the relative performances of capitalist and socialist economies because necessary data are generally not available and the accuracy of what is available cannot be assured. But it appears that although the Soviet Union, to some extent, depends on capitalist economies for some food and modern technologies (one reprisal which the USA uses against USSR is to stop shipment of weat and sophisticated equipment), it perhaps matches the USA in weapons of war or defence—which suggests that the socialist system is more amenable to total mobilization. It appears also that the capitalist system, relying on self interest, has superior production power and production efficiency than the socialist systems. On the other hand, there exists evidence to suggest that, in addition to the advantage of more effective "directioning" of production, the socialist system, as practised in USSR, also leads to greater economic stability, more stable prices and higher levels of employment. It is, of course, not certain that these conditions will persist in the face of socialist retreat and increasing privatisation.

I choose to be dumb on table I which gives some indications of the relative economic and social performance of developing countries, industrialised countries, centrally planned economies, USA and USSR. Readers can make their judgements but if the length of life is a major criterion of welfare the facts show that people in the "West" live a little longer. Some of the data are quite eloquent!

Social and Economic Performances of Economic Systems/Groups 1960—1977

	Economic & Social Indicator 1960—1977	Developing Countries	Industrialized Countries	Centrally Planned Economies	U.S.A.	U.S.S.R.
	Economic Indicators					
1.	Gross Domestic Investment %	21.4	23.1	26.4	19.1	26.8
2.	Share of General Government Consumption in G.D.P	11.4	15.7	3.2	17.9	2.1
3.	Share of Agric. in G.D.P. 1977	19.4	3.8	16.4	2.8	16.9
4.	Share of Services	44.4	58.8	19.8	63.4	19.7
5.	Food Consumption Per Capita Calories per day, 1977	2290.2	3376.5	3434.3	3576.0	3460.0
6.	Energy Consumption per Capita 1977	506.9	7048.7	2103.3	11.574	5410.0
	Social Indicators					
7.	Urban Population 1970	24.4	71.8	54.3	70.4	61.0
8.	Life Expectancy	49.1	70.4	68.4	70.5	68.7
9.	Infant Mortality Rate Per 1000 live births 1970	55.3	17.1	30.6	20.1	25.0
10.	Adult Literacy M.R.E.	52.3	98.7	—	99.0	99.5
11.	Percentage of Labour in Agric	49.4	9.2	22.7	3.0	19.0
12.	Radio receivers per 1000 of Population	63.5	471.2	231.1	499	—

The Nigerian Concensus

Guided more by history and experience than by ideologies, Nigerians (or the policy makers in Nigeria) have reached a concensus on the economic system. First, the framers of the 1979 Constitution opted for modern capitalism—private ownership of means of produc-tion combined with Governm- measures to improve the welfare the people—especially the welfa- of the least advantaged in th society. Even that was inherit- except that the welfare aspect ha been better articulated. Mention wa made of the major sectors o "commanding heights" of the economy, but the idea is dependent on time and space. What is commanding height today may not be tomorrow and Sokoto State may reasonably decide to engage in an economic activity which, in Lagos State, is better left to the private sector. But I do not think that any

State Government today will contemplate investment in laundry and popcorn vending machines. Secondly, after the Great Debate, the "Political Bureau" wrote its substantively capitalistic recommedations in socialist language. But the decision makers were able to disentangle with "internal contradictions" and make decisions following the substantive recommendations. Again, after years of debates and waverings, privatisation and commercialisation have become accepted policies and they are already being implemented. The main case for privatisation in Nigeria has been to cut down wastages of public funds and only those who prefer public wastage to private (taxable) gain, can still hold out against the policy.

Instead of sinking funds in areas where Governments, the world over, have demonstrated and accepted their incompetence and failure, why not use the funds to develop economic infrastructures and welfare programmes? Finally, the Structural Adjustment Programme has made naked our preference for Adam Smith's Invisible Hand over command. And it cannot be thought that the SAP philosophy is only for the emergency period.

Recent pronouncement by representatives of the highest arm of Government indicates a "permanent" shift to the Invisible Hand. I put "permanent" in quotes because as an ex-permanent Secretary, I am not sure of the attributes of permanency. Since I agree with these trends, my paper will sound like a rationalisation of the actual. I believe, however, that I am not merely agreeing to what is, or becoming; I hope, I contributed in nudging the system towards that direction.

The Case for the Invisible Hand and Against "Unbounded State" in Nigeria

The case for the Invisible Hand (the Market System) and against the "Unbounded state" in Nigeria rests on the following one major factor and two subsidiary ones—one of which is yet to be studied well enough for judgments:

1. The multi-dimensional cleavages in, or pluralism of, the Nigerian society.
2. Lack of adequate empirical economic knowledge to guide effective intervention, and, the ignorance of the true dynamics of economic processes.
3. Trends Towards Internationalisation of Economies.

Lack of Knowledge

To steer a ship to the right course one must know the mechanics of the ship—especially its pilot system. How much should the steering be turned in order to achieve 60° change of direction. In the absence of knowledge, trial and error may help to avoid going round and round. The economy is far more complex than the ship. If a policy objective is desirable, how do you achieve it? At what level do you pitch the relevant instrument? If the system is disequilibrated by an overdoes, does it possess a tendency to self equilibrate? How does it do it *and at what rate*—how long does it take? What happens if something else happens to the system in the meantime? The fact is that the present state of economic knowledge does not allow definite answers to some of these crucial questions. The market mechanism does work—we observe it working but we do not understand enough of it to massively intervene—in the fashion of the "unbounded state". Yet the wastages of unbounded state are quite glaring. But Government can take side corrective actions to mitigate the observed defects of the market mechanism without seriously upsetting the mechanism, and creating monumental wastes with unbounded state intervention.

The era of import licences showed how defective the command system can be. Private sector planning became impossible, inventory policy lost method and rationality, and business policy, the chief executive's normal pre-occupation, was reduced to perverted public relation. Some essentials—including essential industrial inputs, were forgotten, and those not forgotten were brought in as and when commanded. With less expenditure of foreign exchange than was indeed the case, the economy would have been more orderly and prices would have been more stable if the Invisible Hand had been allowed to do its job. Should it really be surprising that in spite of the manifold devaluation of the naira since 1986, some imported goods are today cheaper than, say, in 1984 when the import licencing system was in near-total disarray? Ask mothers who bought baby food in 1984 and 1987—88.

The Development of a World Economy

The world economy appears to be unifying as national boundaries are becoming increasingly irrelevant in economic transactions. It appears that the competition between the economic agents in countries A and B is becoming more direct. In the circumstances, some economic measures taken by the Government of country A may only pose obstacles for the residents of that country, thus reducing their competitive chances against residents of country B. If, indeed, the economy has gone global, it will require global economic management—perhaps a world economic management department of the United Nations. This is not the place to speculate more on this issue but it does suggest that national Governments should examine their control measures to ensure that they are not merely installing obstacles which might weaken the competitive chances of their nationals. Staying out may be better than ill-informed control. This point has a theoretical ring but it is indeed quite practical and a Nigerian example exists to illustrate it. In the middle of 1970's, Nigeria was working hard on the creation of ECOWAS, at the same time the Government was errecting strong barriers against Nigerians taking advantage of the market. How? The protocol on rule of origin of goods—which affects the duty status of goods, defines the maximum foreign content in the goods. If we stopped there, we would have been at par with other West African countries. But our Nigerian Enterprises Promotion Decree of 1977, which the military promulgated over objections by the Civil Service, and the hostile attitude to foreign investment, constituted obstacles to Nigerians taking advantage of ECOWAS. Indeed, if ECOWAS had developed as expected, foreigners and some Nigerians would have located economic activities in other ECOWAS countries to take advantage of the large Nigerian market while the Nigerian economy suffers from obstacles created by the Government. Even today, with ECOWAS not making the expected progress, the Nigerian Enterprises Promotion Decree 1977 remains an obstacle to economic growth and development and the circumstances of "too much foreign exchange" which appeared to have myopically motivated the decree has long ceased to exist. Other obstacles will be identified when we consider the role of Government.

Many-sided Cleavages (Multi-dimensional Pluralism)

Economic policies must respect the empirical context of the area for which they are formulated. That is the abiding basis for the formal and substantivist controversy in economic anthropology[5]. It is the basis of the challenge by Frederick List and the German Historical School against classical economics, especially, the theory of static comparative advantage which appeared to assign to (the more) industrialized Britain the role of supplying manufactures to the rest of the world and to the industrially less developed or underdeveloped, the role of permanently supplying crude materials. Karl Marx himself criticized older economists who saw capitalism as the end of history of economic evolution—however he proceeded to commit the same offence by making communism the termination of the evolution of economic system.

Policy planning in a plural society must respect the basic elements of the social structure and the other elements of cleavages. The elements of social structure are: religion (Sr.), polity (Sp) kinship, i.e. ethnicity (Sk) and the economy (Se). Some policy issues fall into more than one category (elements) and where an issue falls under all the elements, that issue is usually highly controversial. These elements of social structure should be seen as constraints in policy planning. As I have suggested elsewhere,[6] "if our strategic objectives—which depend on the strength of the economy are to be achieved—we must routinize all routinizables in the polity, diffuse tensions arising from ethnicity and religion and concentrate on the economy". But this cannot be achieved effortlessly. We must first understand the elements of social structure, especially, their impacts on Government decision making and economic efficiency. Recently, the Federal Government innocently came out with a population policy that required each woman to have a maximum of four children. The policy is based on the objective fact that it is the number of children borne by women within child bearing age which controls total population. And it is necessary to control the population in order to achieve higher levels of welfare for Nigerians. It was not however remembered that a man also cares about how many children he has and that certain religions forbid polygamy. Policies on population, will in the Nigerian context, affect ethnicity (kinship), religion, polity and the economy, directly and indirectly but Government appeared inadvertently to have concentrated on the economy aspect. Using diagram I to illustrate, S represents the whole society, of which Sp, [illegible] polity, Se, the economy, Sk, kin[illegible] (ethnicity) and Sr re[illegible] Population policies will, as indic[illegible] already, fall under area 1, whe[illegible] the elements of social struc[illegible] merge (intersect) and should [illegible] passed through each element [illegible] screening before decision. At [illegible] other end, policies on mo[illegible] management—interest rate, de[illegible]luation *et cetera*, are likely to [illegible] under area 2—i.e. only direc[illegible] affecting the economy, and sho[illegible] to that extent, not be socially conte[illegible]tious; policies on indigenisation a[illegible] privatisation, depending on the t[illegible] context, would fall under 3—t[illegible] intersection of Sk, Se and Sp b[illegible] other elements of cleavag[illegible] mentioned below may be involve[illegible] The diagram is only illustrative of t[illegible] intermesh of the elements of soc[illegible] structure and indicates necessa[illegible] considerations before the adoptio[illegible] of a policy so that destabiliz[illegible] unintended side effects are avoide[illegible] Other elements of cleavages includ[illegible] geography: north/south, east/wes[illegible] statism, *et cetera*. We hav[illegible] categories like: moslem fulani fro[illegible] Sokoto and Katsina, moslem fula[illegible] from elsewhere in the north, mosle[illegible] Hausa from the north, mosle[illegible] Hausa from elsewhere, Haus[illegible] speaking Christian from deep nort[illegible] other Northern Christians, Southe[illegible] moslems, Southern Yorub[illegible] christians, non-Igbo Bend[illegible] christians and pagans, Easter[illegible] Christians, Christian Igbo; we hav[illegible] the feudal lords, the talakawas, th[illegible] employers, the employees, part[illegible] affiliates, women; we have sta[illegible] solidarities; northern solidarity [illegible] western solidarity and other solida[illegible]rities; and we should not forge[illegible] inlaws and outlaws!

That these solidarities are not [illegible] Nigerian monopoly, can be see[illegible] from the current presidenti[illegible] campaign in the United States [illegible] America. Rev. Jesse Jackson [illegible] described as the most articulat[illegible] most charismatic and most intel[illegible]gent of all those in the field bo[illegible] Democrats and Republicans, yet h[illegible] is said not to be electable. Again, Dukakis may be leading Bush but how does his name sound? Bush is WASP—white, anglo-saxon, protestant and at the end of the day such cleavage factors may dominate.

What have all these got to do with the role of the public and the private sectors? Very much. First, let us consider this case: there are 50 people on the queue waiting to see Mr. X—an officer in the public or private sector. One person defied the queue and went confidently straight to, and opened, the office. He was cheerfully ushered in. Information filtered out that the strange person is X's inlaw, brother, *et cetera*. Will the people on the queue understand and forgive? Will the officer feel any guilt? The answers are clear in Nigeria: to the first question, it is yes; to the second, no! The message is that an "unbounded state" dispensing favours, employments, promotions, appointments, does not respect meritocratic principles. Elements of cleavages will work to destroy effectiveness and efficiency. The more you leave to Government to do, the greater the inefficiency introduced in the system by cleavages. It is not just inefficiency but blatant social injustice! I do not believe that market-system-induced inequalities will lead to revolutions in Nigeria, what makes the blood boil is the unearned, undeserved, inequalities premised on some elements of cleavages. The more the government intervenes directly in the economy—through: the sale of crude oil, National Supply Company allocations, allocations of Government-built houses, import licences, locational approvals, business permit, purchases of agricultural produce, appointment of distributors, allocation of fertilizers, *et cetera*, the greater the unearned advantages, and the worse the inefficiency in the economy. With regard to import licencing, Professor Aluko, who appears to favour the "unbounded state", argues that the allocation of foreign exchange to the banks may have only resulted in the multiplication of corruption points. That is not all it does, if it does that, it also diffuses power and increases the probability that individual X can get foreign exchange allocation—whoever he may be!

Given the fact that the market recognises the naira—generally not as Moslem, Christian, Northern, Southern, Fulani or Yoruba naira, but just naira, the more the market is allowed to do, the better for economic efficiency, growth and development. In a society characterized by multi-dimensional pluralism, the greater the scope allowed the Invisible Hand, the better for the economy and society. This is the basis for a preference for less Government—especially in direct economic activities for which the private sector has the capacity. We can now attempt to specify the roles of the public and private sectors.

The Role of Government

In the spectrum of degrees of Government involvement from

1. *"Umpire Government"* concerned only with law and order and national defence;
2. *Productive Government*, which limits direct economic activities to the production of public goods like roads, street lights, light houses, *et cetera*—such goods which cannot be consumed exclusively and from the consumption of which people cannot be excluded—in which case the conventional market fails since nobody will be willing to pay a price for what he can get free;
3. *Welfare State*, which adds social programmes to mitigate or blunt the negative side effects of the market (capitalist) economic system, to
4. the *Unbounded State*, which knows no limit to intervention in economic activities; our preference is, naturally, for the 'Welfare State"

The role of our welfare state should include the following:

1. Creating favourable conditions for economic growth and development.
2. Ensuring effective implementation of Chapter 2 of the 1979 Constitution of the Federal Republic of Nigeria—the Fundamental Principles and Directives of Public Policy.

Creating Favourable Conditions for Economic Growth and Development

We cannot pretend that Government should not abandon its catalytic role for the economic development of Nigeria. To achieve the creation of favourable conditions and thus continue with the catalytic role, the state should remove obstacles to economic growth and development and take action to enhance the competitive position of the Nigerian economic agent in the emerging world economy. What the Japanese Government does for the Japanese private sector deserves serious study for adaptation and emulation.

Government should:

1. remove obstacles in the form of inadequate social and economic infrastructure. The state should give adequate attention to transport, communication and public utilities, (electricity, fuel and water) *et cetera*.
2. remove obstacle of insufficient information and knowledge by adopting an open-door approach and enhancing access to foreign information for the Nigerian economic agent, and encouraging research; in the case of research and development, bodies involved should be given an incentive scheme based on those of their findings which get commercialized and are successful;
3. remove itself as an obstacle to development by

(i) not using tax-payers' money to compete with the private sector in activities for which the private sector has the capacity;

(ii) abolishing unnecessary control regulation: abolish requirement for locational approval, business permit (security agencies have other ways to monitor the movement of aliens), roll the decree on Enterprises Promotion back to the policy in 1972 or convert the Nigerian Enterprises Promotion Board to a positive agency for *developing* Nigerian enterprises—instead of what it is now—an obstacle creating Board! Re-examine other control measures to free the economic agent from unnecessary delays and avoidable costs;

(iii) removing the following obstacles to inter-state transportation and commerce:

(a) Excessive number of police road blocks on the same highway. If the reason for the multiplicity of road blocks on the same highway is the existence of feeder road—the road blocks should be mounted on the major feeder roads themselves. If, on the other hand, every police formation insists on covering the same expressway as it passes its own territory, they should be informed that this is one country and one economy. Perhaps they should find a way of integrating the advantages from one highway. And is it too much to expect the police to remove the road blocks when they are leaving the check points?

(b) State Government road blocks on Federal Highways—Ondo State (and perhaps some other states) mounts road blocks on Federal Highways to collect illegal charges on produce passing through their check points from all over the country.

(c) Local Government road blocks on Federal and State highways for the collection of rates, radio licences, *et cetera*.

(d) Customs road blocks in the hinterland. If Customs officers cannot catch smugglers in areas near our borders, it is just too bad—hinterland hunting of smugglers should cease—so should raiding of markets.

(e) Illegal charges by State Governments before allowing Nigerian companies operate in their states—whatever charges there should be should be a subject of Federal legislation; the present situation is anarchic.

(f) State regulations on which Nigerians to employ in what capacities in the State.

(iv) adopting a consistent approach to economic policies and creating the environment in which planning by the private sector can be meaningful and effective;

(v) channelling surplus funds to the economy through the Banking system, that is, funds resulting from Government withdrawal from some economic activities and in excess of what Government needs for providing social-economic infrastructure and for implementing Chapter 2 of the 1979 Constitution. The possibility of surplus arises from Government ownership of major mineral resources and the fact that most foreign exchange is earned through petroleum revenue which goes mostly to the Government;

(vi) facilitating the acquisition of land for especially non-residential economic activities.

4. continue to eat into the frontiers of the major sectors of the economy until the private sector can take up the role; and

5. protect Nigerian Economic Agents against unfair competition from foreigners, whether those foreigners are multinational corporations, foreign manufacturers dum[illegible] goods in Nigeria, Nige[illegible] resident foreign expo[illegible] using the exportation [illegible] Nigerian produce for ca[illegible] flight purposes, *et cetera*.

Effective Implementation of Chapter 2 of the 1979 Constitu[illegible]

The provisions of Chapter Tw[illegible] the 1979 Constitution attemp[illegible] make a welfare state of Nigeria [illegible] the statements can remain de[illegible] letters unless Government ta[illegible] actions to implement the [illegible] recommendations. A buoy[illegible] Nigerian economy must [illegible] anchored on social justice [illegible] economic fairness. It is necess[illegible] for the negative side effects of [illegible] market (capitalist) system to [illegible] removed or reduced thro[illegible] Government action—as social a[illegible] political stability create conditions [illegible] achieving a buoyant economy.

In this area the roles of [illegible] Government should include:

1 Managing or guiding [illegible] "Social/Employment Sec[illegible] In another paper I attem[illegible] to select from elements of [illegible] capitalist and socialist syste[illegible] to build a meaningful mi[illegible] economy model. There [illegible] identified three sectors—[illegible] *market sector* which includ[illegible] private sector activities alo[illegible] with the commercializa[illegible] aspects of Governme[illegible] activities, the *Governm[illegible] sector* made up of adminis[illegible] tion, the provision of pu[illegible] goods and public utilities a[illegible] the running of existing n[illegible] commercializable activi[illegible] and the *social/employm[illegible]* sector, which acts as [illegible] sweeper for employm[illegible] sweeping unemployment [illegible] of the economy even tho[illegible] the remuneration is [illegible] comparable to what obtain[illegible] other two sectors. I consid[illegible] a central role of Governm[illegible] to develop program[illegible] aimed at providing jobs [illegible] willing, able and employ[illegible] persons who are unable

employ themselves.

2. Developing programmes in the fields of education and health to ensure a minimum level of education and health services delivery for the least advantaged Nigerians.
3. Creating institutional and other conditions for energising the rural sector in an atmosphere that ensures confidence, freedom and dignity of the individual rural person.

If the Government (Federal, State, Local) reasonably creates favourable conditions for economic growth and development and achieves the objectives of effective implementation of the essentially progressive society/economy proposals above, it shall have contributed immensely to achieving a buoyant Nigerian economy.

Role of the Private Sector

What we have done so far is really to justify a limitation on the role of the Government in the economy, that is, in preference for an expanded role for the private sector. We have given to the Government the role of creating favourable conditions and making up the defects of the market system by, inter alia, creating and managing or guiding the social/employment sector. It is therefore necessary to clearly pose the challenge of developing Nigeria to the private sector; it is like the division of labour in some farm operations; the women hoe off the weeds and shrubs and the men till the ground. The job of tilling the ground of Nigeria industrial development is that of the private sector. And in carrying out their role, they need a touch of patriotism and nationalism to blunt the greed of unalloyed self-interest.

It is difficult to be specific on the role of the private sector without going too far into details. The major roles of the private sector can be summarized as follows:

1. *Combing the world for profitable business ideas and industrial opportunities.* In this regard, India, South Korea, Taiwan, Hongkong, Malasia, *et cetera,* should be the places of pilgrimage for Nigerian entrepreneurs.
2. *Helping Government, through advice and information supply, to better-perform the role of the Government.* This requires cooperation with the agencies of Government in their search for information, contributions of individual businessmen and sectoral and subsectoral groups to economic policy making—through papers and through participation in meetings called for the purpose by the Government.
3. *Introducing social dimensions to business policy and decisions.* If two processes are equally effective and efficient, the private sector decision maker who allows social dimensions to affect his decisions should opt for that process which is socially superior, for example, by allowing higher level of employment, by being less pollutant, or by having greater positive impacts on the lives of the masses of Nigerians.
4. *Aggressively Pursue the Acquisition of Technology.*
   Industrial espionage is indeed a prestigious activity. *There should be no qualms when people from the less developed countries try to acquire technology by any means including what may look like stealing it.* Indeed the developed countries steal even more—but at higher levels. I support industrial properties protection where it does not go further than protecting Nigerian property owner against local pirates. Beyond that, we should not be so advanced or sophisticated in this direction.
5. *Developing Indigenous Technology.*
   The private sector Nigeria does not appear to, but should, have a good record in financing research and development either internally —i.e. within their organisations or externally. With the new role of Government, the problem of meaningful and potentially viable projects developed in universities and research institutes not being commercialized may begin to belong to the past.
6. *Adopting Enlightened Industrial Relations Practices.*
   A place of work should provide for a worker a feeling of belonging and/or being wanted as a person. This can be extended to the worker's entire family. Indeed, doing this is not altruism on the part of a company; it is enlightened self-interest and when many establishments adopted this strategy, which enhances social stability; such establishments shall have contributed significantly to achieving a buoyant economy in Nigeria.

Conclusion

The incentive system in the private sector is such that no preaching is needed. If the conditions are made right for the growth of industry, we can rely on the energetic drive of self-interest to propel the economy to economic buoyancy. Making the conditions "right" is the role of the Government, exploiting the opportunities in the system is the role of the private sector. In this exploitation, it is hoped that some dose of patriotism will lead the Nigerian private agent to accept mutual exploitation with foreigners, both jointly exploiting economic opportunities in Nigeria, but not jointly sabotaging and sapping the Nigerian economy.

Chukwuemeka P. Ezeife, Ph.D. (Harvard)
(Okwadike Igbo-Ukwu) is Managing Director Basic Commerce & Finance Ltd.

A.G.M. NEWS

NIM CONFERS 18 FELLOWSHIP AWARDS

AT the Annual General Meeting of the Nigerian Institute of Management held in the Fountain Courtyard of Management House on Thursday the 25th of August, 1988, 18 distinguished members of NIM were conferred with Fellowship Awards.

Those who were lucky to bag the fellowships are: Mrs M. R. A. Adeleke, Managing Director, Tate & Lyle Ltd. Chief A. A. Adejumo—Chairman, Adesons Industry Ltd. Prof. M. A. Adeyemo, Managing Partner, Adepoju Adeyemo & Co. Chief Horatio Agedah—Legal Practitioner, Mr. P. A. Alli-Idowu—Chief Executive, Firearm Co. Ltd. Chief E. O. Ashamu—Chairman, Ashamu Group of Coys. Otunba M. O. Balogun—Chairman, First City Merchant Bank Ltd. Chief J. T. C. Boyo—Chief Executive, Niger Cat Ltd. Chief A. S. Guobadia—Chairman, Maiden Electronic Works Ltd. Mr. O. Lijadu—Managing Director, NICON. Mr. M. A. Makinde—Director, Lever Brothers Nig. Ltd. Chief A. K. Oladapo—Chairman, WATA Timber Co. Ltd. Mr. H. K. Omo—Chairman, Unity, Life & Fire Ins. Co. Ltd. Chief Francis I Owelle—Managing Director, Hotel Unicoco Ltd. Aba, Mr. C. O. O. Oyediran—Senior Partner, Coopers & Lybrand Nig. Ltd. Mr. J. O. Paul—Managing Director, Paul & Paul Chemists. Alhaji S. A. O. Sule—Managing Director, Nigerian Arab Bank Ltd.

Three things are significant about this year's fellowship awards. The first is that it was the first time that NIM would confer more than five fellowships at a point in time. The second is that it is the first time that it was being done at an A.G.M. Third is that it is the first time that a military personnel in the person of Vice-Admiral Aikhomu, the Chief of General Staff is being awarded a fellowship of the Institute.

This brings to 91 the number of fellows of the Institute with Chairman of Board of Fellows as Chief E. A. Silva.

The 1988 fellowship awards were conferred on recipients by Chief F. O. Ogunlana, former Chairman of Council and President of NIM who is also the Vice-Chairman of the Board of Fellows.

The citations of the new fellows will be published in the NIM Fellowship who's who.

VOTE OF THANKS

By
Eng. F. A. O. Philips

YOUR Excellency, the Military Governor of Ogun State, Honourable Commissioners, the President and Chairman of Council of the Nigerian Institute of Management, Distinguished Ladies and Gentlemen.

On behalf of the Council of the Nigerian Institute of Management, I wish to thank Col. Raji Rasaki, the Military Governor of Ogun State for his presence at this opening ceremony, and for agreeing to be formally invested as the Vice-Patron of the NIM this morning. We know he is a very busy person, but because of the regard he has for us in NIM, he has found time to grace this occasion with his presence.

Secondly, I wish to thank him on behalf of Council of NIM for the great support he has given us by financing the cocktail and for sending a large number of Ogun State top civil servants to this Conference as participants. He has demonstrated beyond doubt that he is a very worthy Vice-Patron of the Institute.

Lastly, I also want to thank all our invited guests and friends for honouring our invitation.

Once again, I thank you all.

ELECTION FOR NIM (LAGOS BRANCH)

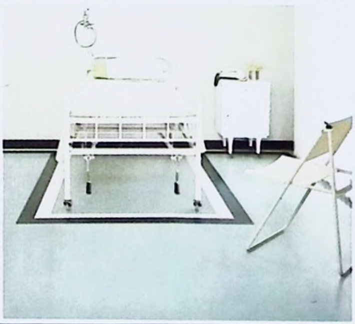
THE Lagos Branch of the Nigerian Institute of Management has elected a protem executive to run the affairs of the branch for 6 months at the Annual General Meeting of the Branch held on Wednesday the 17th of August, 1988 inside the Courtyard of Management House.

Officers elected during the meeting are:

Mr. B. Adenubi—*Chairman (Protem)*
Mr. Egoh—*General Secretary*
Mr. G. A. Fowodu—*Asst. Secretary*
Mrs P. E. Anabor—*Financial Secretary/Treasurer*
Mr. Dele Osundalunsi—*P.R.O.*

The officers will run the affairs of the branch for six months.

If it's tiles, it must be FLOORFLEX



At Nigerite, we plan ahead to meet the exact needs of our customers.

The strength of our technology and our commitment to our customers have made us a leading manufacturer in floortiles around the world since 1953.

This is why floorflex is ahead of other tiles in strength and width.

Depending on envisaged traffic, you can choose from our 1.6mm, 2.0mm, 2.5mm and the heavy duty 3mm thicknesses.

Floorflex is manufactured in a range of 12 co-ordinated, attractive colours.

Each is 300mm square.

Floorflex tiles are fast and easy to lay.

The services of our trained installers are available with a full package of associated products:

- Cement screed to level the floor before laying.
- Bitumen adhesive for perfect and longlasting installation.
- Self polishing wax for easy maintenance.

Floorflex tiles are ideal for both floors and walls.

Made under rigid quality control, FLOORFLEX is the final and dependable floortile for now and the future.

Recommended Selling Price ₦70.81k per carton of 5.04 sq metre 1.6mm

FLOORFLEX — *AN IMPROVED TECHNOLOGY IN FLOOR TILES - FROM* **Nigerite**

Floorflex is a registered trade mark, the property of Nigerite Ltd Ikeja, Lagos.

Management IN NIGERIA

₦4.00

ISSN 0025–178X

September/October, 1988

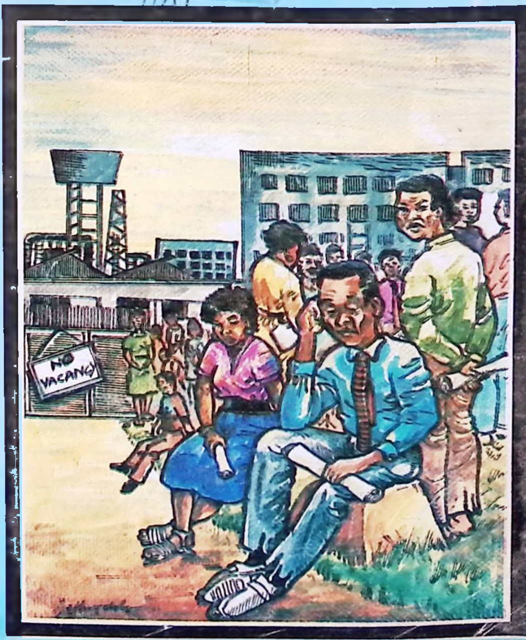
NIM NIGERIAN INSTITUTE OF MANAGEMENT
(for progress and prosperity)

Management of Unemployment in Nigeria Under the Structural Adjustment Programme

STRATEGIES FOR NEW WAGES NEGOTIATION WITH INDUSTRIAL UNIONS: EMPLOYERS' VIEW POINT

THE WORKMEN'S COMPENSATION DECREE NO. 17 OF 1987 – A REVIEW

EXTRACTS FROM CBN MONTHLY REPORT



WOULD YOU LIKE TO KNOW AND UNDERSTAND THE POLITICAL ECONOMY OF NIGERIA?

Now, at last, there is a Magazine that analyses the different aspects of the Nigerian Economy — Manufacturing, Banking, Finance, Agriculture, Insurance, Commerce, Mining, etc., etc., etc.

It focuses on the socio-economic implications of economic politics being pursued by the authorities in the various sectors.

If you want to know what makes a nation of over 100 million tick, you must subscribe and read:

THE NIGERIAN ECONOMIST

NIM

SPECIAL OFFER.

NIM STUDENT SUBSCRIPTION SERVICE — N58.80
Please enrol me on the Special NIM Students Subscription Service for ***THE NIGERIAN ECONOMIST*** for one year.

Name: ____________________

Delivery Address: ____________________

____

____

Student Registration No.: ____________________

Profession/Position: ____________________

Return completed form together with remittance to **The Marketing Manager, *THE NIGERIAN ECONOMIST*,** 49, Adekunle Fajuyi Way, G.R.A., P.M.B. 21268, Ikeja — Lagos.

MANAGEMENT in Nigeria

Journal of

NIM

VOL. 24, NO. 5
SEPT./OCT. 1988

MANAGEMENT IN NIGERIA is published bi monthly by the Nigerian Institute of Management Plot 22 Professional Centre Layout, Idowu Taylor Street Victoria Island, P O Box 2557 Lagos (Cables and Telegrams NIMROD LAGOS') and printed by Sera Printing Ltd P O Box 678 Apapa Lagos Copies of the journal are available to all members of the Institute and obtainable by members of the public through subscriptions

MANAGEMENT OF UMEMPLOYMENT IN NIGERIA UNDER SAP *By Dr. Bankole Oni*

With regard to the problem of unemployment in the economy, the increasing trend has been very alarming. Most economic-strategy making in Nigeria assumed that employment could be generated only by further massive investment financed by oil revenues. The government through its fiscal and monetary policy is reducing its expenditure on areas described as "unproductive" By cutting down investments in social overheads (education, health, social welfare) as expected and dictated by IMF and the World Bank, Nigeria, is destroying today, the human potentials required to build and sustain economic growth tomorrow.

The problem of unemployment predates the Structural Adjustment Programme The problem came to a head and assumed very critical dimensions in 1983 because of the fall in the price of Oil. *P. 7.*

STRATEGIES FOR NEW WAGES NEGOTIATION WITH INDUSTRIAL UNIONS. *Employers' View Point.* *By Efiong Okodi Uko*

Since the lifting of the wage freeze in January, there has been an increase in the tempo of industrial relations activities in various Trade Groups. Whilst all employers have been willing to negotiate salary increases, the renegotiation of fringe benefits has been a source of friction in some Trade Groups between the employers and the Unions.

The enormity of the problem and the timing of the lifting of the wage freeze have made it imperative for all employers to evolve a common strategy for dealing with the problems which have arisen over their negotiation of new salary structures and fringe benefits. *P 17.*

THE WORKMEN'S COMPENSATION DECREE NO. 17 OF 1987—*A Review*

The Workmen's Compensation Decree of 1987 is said to be a re-enactment of the Workmen's Compensation Act 1 which makes provisions to extend to coverage of the Act to benefit many more workers. It was also claimed that the Decree removed the difficulties and delays inherent in the administration of the previous Act These were the mischief which the Decree was meant to cure. It follows then that a review of the Decree will have to assess how far it is likely to achieve the two main objectives, namely to widen the scope of the act to cover more workers and to remove some administrative bottlenecks in the implementation of the law *P 34*

EXTRACTS FROM CBN MONTHLY REPORT

Currency in circulation at end of May rose by N239.1 million or 3 4 per cent to N7,330 5 million The two components (vault cash and cash outside banks) increased 22 6 and 1 8 per cent, respectively

Trading activites on the Nigerian Stock Exchange increased during the month as 40 million shares were traded in 1,384 deals compared with 15 0 million exchanged in 1,542 deals in the previous month *P 44*

OTHERS

EDITORIAL

BEHIND INCREASED PRODUCTIVITY

BY DELE OSUNDAHUNSI

When people talk about productivity, albeit increased productivity, they tend to look at it as if it were something that has a corporate identity and that can be independently defined exclusively of man. Looking at it from the simplistic point of view, is it not the output of man as the prime mover and co-ordinator of other factors of production? Hear ye, Terry Page (International Dictionary of Management) who said productivity is the "relationship between input and output of an industrial unit, *et cetera*, input being measured in men, machines, materials and money; and output in products and services" He quickly added that "Reliable methods of productivity measurement are elusive". Is that not simply admitting as many other authors that it is a slippery thing. I guess because academics is involved.

But these days, we are hawking repeatedly in conferences, communiques, editorials, articles, *et cetera*, that for a developing country like Nigeria to be recognised as wanting to be heard and seen in the commity of nations, she must increase her output in many sectors including agriculture and other non-oil sectors of the economy. To shed her debtor status, she must work harder, repay her loans and make savings. Experts can coat it in economic terms. Increased Productivity is the answer to economic reverses. This has been the message being flagged from place to place.

But have we really identified our audiences? Have we mapped out the communicative strategies for reaching them? Have we any intentions (organised or informal) apart from mass media window-dressing statements to carry them along with us in our policies and actions? Are the aware of the ultimate objectives or envisaged results of this cliche? The Management staff whom we address at conferences, on pages of newspapers and learned journals make a very small but powerful percentage of the work force. What about the other non-management cadres of the populations? I mean the factory workers, the market woman, the labourer, the farmer, *et cetera*, who make up more than 70% of the work force? How do they get the message, digest it and turn it into a working and walking slogan which can inform all their actions? How do the school people (primary, secondary & tertiary) build it into their sub-conscious so that by the time they enter the labour market, it would have invigorated their muscles and nerves?

Secondly, are we as preachers of the tenet informed sufficiently enough of what constitutes motivation and incentives to the ordinary Nigerian man and woman especially in SAP or post SAP times to the extent that he/she, can without being driven like a bull, work towards greater output? I have my doubts if our policies and actions in terms of essentials show that we want Nigerians to increase productivity. I mean policies and actions governing health, feeding, transportation, clothing, recreation, education, power, environment, money, *et cetera*.

The answer keeps coming back to us as entrepreneurs, financiers, planners, industrialists, managers, policy makers, *et cetera*, to produce the enabling immediate and remote environments and then challenge the ordinary Nigerian worker to increase productivity.

If this poses a puzzle, of course, ask NIM for suggestions. Again as we hawk this cliche of increased productivity from north to south, west to east, have we thought of the impressions we create in the minds of those who control the wheel of production? The impression that many Nigerians get from the calls is that the propagandists are back with another gimmick to exploit. Simple. Of course, we must correct this impression in our actions and words before it does further damage to the economy. When workers see a financier or industrialist who had just finished a good propaganda on increased productivity "spraying" money at parties and buying expensive flashy cars even when his workers had not got salary increments for the past three years and a lot of the incentives and fringe benefits trimmed down because of recession, what further evidence do they require to prove that the words of the boss do not agree with his action. It could only mean that one party is deceiving the other. So who is deceiving whom? It then seems important that the true position of the economy of each sector indeed the nation must be made open to all and sundry so that we do not misunderstand each other. If we must save ourselves the trouble associated with grapevine information and rumours, then it is the responsibility of whoever has the message to ensure that he chooses the right medium and language that would make his message understood so that he can achieve the goals he had set for his actions.

Again the ball is back in our court as managers of various sectors of the Nigerian economy to ensure that our outcry for increased productivity merge sincerity of purpose with appropriate communicative media so that we can be read as having left our footprints on the sands of time.

MANAGEMENT OF UNEMPLOYMENT IN NIGERIA UNDER THE STRUCTURAL ADJUSTMENT PROGRAMME (SAP)

by

DR. BANKOLE ONI

Senior Research Fellow, Nigerian Institute of Social and Economic Research, (NISER), Ibadan.

Paper presented at the National Seminar on the Role of Manpower Planning in Economic Development of Nigeria, Durbar Hotel, Kaduna, 15 — 18th August, 1988.

Introduction

SINCE Nigeria attained political independence, macro-economic planning has not effectively addressed the fundamental economic problems that face a labour surplus economy even though unemployment has always been identified as a serious development in the process of economic growth in the country. For example, it was observed in 1973 that the number of youths seeking employment was not only increasing astronomically, but also that the capacity of the economy to generate employment was on the decline.[1] At the beginning of the last decade it was assumed that the labour force was growing at the rate of 2.3 per cent per annum. A large part of these new entrants according to the 1970—74 development plan "would be school leavers and drop outs both of which categories constitute about 70 per cent of total unemployed persons in the economy[2]".

In the 1975—80 development plan, crude unemployment rates calculated for different parts of the country in sample surveys range from 5% for Maiduguri to 22% for Calabar. For the nine states in which unemployment surveys were carried out the average was 10%[3] According to the plan, the estimates of which were largely based on the performance of the oil sector and its effect on other employment generating sectors "the rapid expansion of facilities for formal education, without sufficient growth in opportunities for wage employment which most school leavers seek", was one of the causes of school leaver unemployment.[4]

Most economic-strategy making in Nigeria assumed that employment could be generated only by further massive investment financed by oil revenues. Questions about capital-output and capital-labour ratios until recently tended to be assumed away, despite some academic work in the early seventies—that is, before the prospect of huge capital resources was assured. High-lighting the factor proportions in the demand for labour in the Nigerian economy, Diejomaoh and Orimolade emphasize the effect of capital intensification on employment creation.[5] Their study which also considered factors like demographic change, expansion of formal education and training, as well as trade union power, still led them to the conclusion that the Nigerian Economy is "highly capital intensive". Thus they opined that "increases in total output have led to only modest gains in total employment". For the sectors with labour intensive technologies, they also concluded that their employment generation capacity has been relatively low.

The higher growth rate in capital investment (22.5%) vis-a-vis employment (13.4%) during the 1975—80 development plan period further reinforced the conclusion of these researchers that the Nigerian economy is highly capital intensive. Indeed the very availability of capital may have made the economy more capital intensive. When we look at this situation against a background of rising population and massive investment in formal education, the prospects of employment for most school leavers remain bleak, and may well get bleaker, especially under SAP. In fact, recent official estimate of unemployment is about 20 per cent.[6]

It has been demonstrated in the above introduction that unemployment is a phenomenon that has its genesis in deficient macro-economic policy formulation and planning. In the second part of the paper the structure of the Nigerian economy and its employment implications are discussed. The third section concentrates on a brief analysis of SAP and its labour utilisation effects. While the various direct and indirect measures adopted in attacking unemployment within the SAP framework are evaluated in the fourth section, the final section pulls the strings of the analysis together and offers suggestions that may be examined.

(ii) Structure of the Economy and Unemployment

Before 1970, the growth of the Nigerian economy was fuelled by revenue realised from the agricultural sector. Between 1970 and 1983, however, a significant decline in agricultural production became noticeable. While most export crops except cocoa almost disappeared, food production declined to almost 91 per cent of expected total output. Hence government resorted to the importation of cereals, fats and oils to fill the shortfall in domestic production. Food import bill rose 11.6 times between 1971 and 1978. This trend in the agricultural sector which extended to 1983 was created by the preference which the government showed in favour of the oil mining industry. Thus labour flight away from agriculture to the non-agricultural sector was precipitated. Table 1 presents a picture of the relative incomes between agriculture and non-agricultural activities between 1970 and 1983.

This two sector analysis of the Nigerian economy shows the obvious neglect of the agricultural sector, an area where over 70 per cent of the population are engaged. The unbalanced terms of trade explains the major cause of rural-urban drift in Nigeria. The young farmer who abandons his hoe and cutlass migrates into the city to swell the pool of the unemployed. This theme will be discussed later.

While the decline in agricultural production in Nigeria is similar to other African countries during the same period, the Nigerian experience of rising food shortages, rural-urban migration, negative balance of payments, and rising unemployment happened inspite of the large revenue from the oil sector. For example, oil output between 1970 and 1973 increased by about 41 per cent from 558 million b/d to 823 million b/d; output between 1975 to 1985 hovered around 1.8 million b/d; perhaps today, oil accounts for about 81 per cent of total government revenue even though the collapse of the world oil market has meant a substantial decline in government revenue.

The oil industry has very limited and insignificant direct contribution to the alleviation of the problem of unemployment. This is because of the character of its technology an operations both of which insulat the industry from the rest of th economy. Although the Nigeria economy is largely dependent on o yet neither in the diffusion of techno ogy nor in the creation o employment within the industry i Nigeria dependent on oil. Toda Nigeria is dependent on oil to th extent that the foreign reserve realised could be used to pay fo imports and perhaps settle part o outstanding indebtedness.

The above scenario only attempts to show the extent to which major structural defects in the Nigerian economy has had serious effects for the entire economic system. The results of these structural defects especially after the collapse of the world oil market are over valued naira, lack of credit lines to Nigerian entrepreneurs, capital flight, lack of raw materials and spare parts, due to shortage of foreign exchange, embarrassingly high trade arrears, foreign debt, close down of companies, retrenchments and rising unemployment etc.

With regard to the problem of unemployment in the economy, the increasing trend has been very alarming. According to ILO Statistics, the total figure of the unemployed probably rose to about 3 million by the middle of 1986. In

Table 1: Agricultural and Non-Agricultural Incomes, 1970 — 1983

		1970	1973.	1978	1970	1981	1983
1.	Population (mill)	66.2	71.3	80.7	84.8	86.9	91.3
	Agriculture	50.8	53.5	58.1	59.9	60.8	62.6
	Non-Agriculture	15.4	17.8	22.6	24.9	26.1	28.7
2.	Consumption Expenditure (Nmill)	6650	9540	29160	35740	39240	28523
	Agriculture	2780	3371	8339	9620	10138	12406
	Non-agriculture	3870	6619	20821	26120	29102	26117
3.	Per capita income Agriculture (Npa)	54.7	63.0	143.5	160.5	166.6	198.0
	Non-agriculture (N pa)	251.3	346.6	921.3	1049.0	1115.0	910.0
	Ratio	1:4.6	1.55	1:6.4	1:65	1:6.7	1:4 6

SOURCE: *Culled from Vali Jamal "Poverty and Inequality in Nigeria, Geneva. International Labour Office. 1982, p 10* fact, the Nigerian government indicated in its SAP document that retrenchments both in the public and private sectors have probably put unemployment rate at 18.8 per cent between 1982 and 1984.

A most critical dimension of the problem is that a very large proportion of the unemployed are on the average more adequately prepared in terms of training and skill[7] to contribute to the growth of the economy. More disturbing is the fact that more than half of them are youths below 25 years of age.

Table 3 shows that the youths constitute the most affected victims of unemployment in Nigeria today. The unemployment problems briefly described above are a direct consequence of defective macro-economic policies which have distorted the economy and subjected structural deficiencies over the past three decades. It is this and other problems that gave birth to SAP.

(iii) SAP

The structural adjustment programme (SAP) which was designed to last for two years was embarked upon by the Babangida Administration in July 1986. It is described in government circles as "courageous and comprehensive economic reform policy and a panacea that is expected to, at least, provide short to medium term solutions to the fundamental problems of the Nigerian economy. Part of the main objectives of SAP are:

(i) to restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and imports;

(ii) to achieve fiscal and balance of payments viability over the period;

(iii) to lay the foundation for a sustainable non-inflationary or minimal inflationary growth; and

(iv) to lessen the dominance of unproductive investments in the public sector, improve the sector's efficiency and intensify the growth potential of the private sector.

Table 2: Unemployment Among 1983 Graduates in Nigeria 1 year after Graduation

	Respondents	Graduates who had Secured Employment
University Graduates	4,214	186 (4.4%)
Colleges of Education Graduates	5,042	337 (6.7%)
Polytechnic Graduates	2,036	115 (5.7%)
Total	11,292	638 (5.7%)

Source: National Manpower Board, ***1984 Graduate Employment Traces Study***, Federal Government Printer, March 1986, Table 3 1, p 14

Table 2 simply explains the difficulty of young graduates in securing employment. *It is appropriate to conclude that the situation is much worse today given the rate of growth of output from the educational system and the close down of many enterprises in the private sector immediately before and during SAP.*

Generally, graduates from the tertiary educational system fall between the 19—24 years age cohort. This is the period that they are expected to lay the foundations of their future career. But for a majority of them this expectation is a utopia as the data in table 3 show.

Table 3: *The Age Structure of the Unemployed According to Sector, June 1985 (Percentages)*

Age — Group	Urban	Rural	Average
15 — 19	30 7	24.5	27.6
20 — 24	39.7	30.8	35.3
25 — 44	22.2	27 7	24.9
45 — 54	3.9	12.6	8.3
55 — 54	3.6	4 4	4.0
Total	100.0	100.0	100.0

Source: National Manpower Board, Labour Force Survey, Table 3.

Several policy instruments ranging from the strengthening of demand management, the operation of a realistic exchange rate through SFEM and later FEM to encouragement of rationalisation and privatisation of hitherto unprofitable public enterprises were put in place. The stark realities of the effects of these policy instruments are obvious today.

But what are the effects of SAP instruments on the problem of unemployment? It is not possible to talk of the effect of structural adjustment on the problem of unemployment, because the genesis of the present problems and their magnitude pre-date SAP. The effects of SAP can only be perceived in the next three to five years. This is because it takes a much longer time for certain macro-economic policies to work themselves through the different sectors of the economy. Inspite of this, however, it is not impossible to critically examine the likely effects of certain SAP policy instruments. We shall examine a few of these that lend support to our analysis.

(i) Fiscal and Monetary Measures:

The government through its fiscal and monetary policy is reducing its expenditure on areas described as "unproductive". By cutting down investments in social overheads (education, health, social welfare) as expected and dictated by IMF and the World Bank, Nigeria, is destroying today, the human potentials required to build and sustain economic growth tomorrow. The reduction of investment in the social sector has a damaging effect on business enterprises that service the educational system and the health sector.

Tight monetary policy which was combined with the elimination of exchange controls tends to favour large urban based firms which because of their capacity can attract cheap credit abroad. On the other hand, the same policy shows a bias against small-scale industries that are rural based, have no access to foreign capital input but demonstrate high potentials for generating employment because of their labour utilization technology.

(ii) SFEM/FEM

The introduction and operation of the second-tier foreign exchange market (SFEM) and now FEM was the easiest and fastest policy instrument to be used by government. Through SFEM the exchange rate of the naira has declined from ₦1.50k to $1.00 in September, 1986, to about ₦4.40k to the dollar as at today. The decline in the value of the naira has increased the production costs of those highly import dependent manufacturing concerns. The prices of their products have shot up, and the consequent decline in demand has led to rising and unsold inventories. Low sales have resulted in excess capacity and retrenchment in the private sector.

(iii) Demand Management Measures

The objectives of this measure is to ensure that consumers demand only what the economy can produce. It is hoped that this would diversify the economy as companies would be constrained to use local raw materials for production. In the final analysis, a diversification of the economy could generate employment. Observation however shows that this expectation is more theoretical than attainable. Although there are signs that some firms in the manufacturing industry are already sourcing raw materials locally, this will need to happen on a large scale for the unemployment phenomenon to decline significantly.

(iv) Rationalisation

In order to 'rationalise' the size of the public sector, government policy for the next few years is that the extension of the freeze on hiring labour to all but the most critical skills will be maintained while the present level of attrition (both voluntary and involuntary) will also be maintained. Through this and other related policies of the SAP, the government has contributed to the worsening of the unemployment problem. If the prescriptioin to hold down the level of public employment is strictly maintained into the near future, the implications are several. First, because of lack of income for the unemployed, aggregate demand for goods and services would be limited. Total production and demand for raw materials input would also decline. This may reduce profit margin and investments. The capacity of the economy to absorb labour could ipso facto be limited.[9]

In the final analysis SAP will be evaluated in terms of the employment opportunities it has created or failed to create. The situation today is that the unemployment problem has become worse.[10] Surveys conducted by the Federal Office of Statistics show the following trend.

Table 4: Unemployment Trend in Nigeria 1985 — 87

Year	*Urban*	*Rural*	*National*
1985	8.7%	3.0%	4.3%
1986	10.0%	4.1%	5.3%
1987	12.2%	6.2%	7.4%

Source: See Phillips, D. *The Performance of the Nigerian Economy Under SAP*. Ibadan, NISER, 1988, P. 15.

While the figures in table 4 may be considered relatively low, the empirical evidence as revealed from direct or indirect sources is startling. The general direction of these figures must obviously give cause for worry. In fact the government also expressed its apprehension too. Under the wages and employment section of the SAP document it is stated inter alia that:

> "... *The government is deeply concerned with this growing problem of unemployment. For economic, social and political reasons, the problem must now be seriously addressed before the expiration of the national economic emergency period*".

(iv) Management Strategies

Government's apprehension over the social, economic and political implications of unemployment is justified. After all, one of the major objectives of governance is to ensure equitable distribution of goods, services and opportunities for employment for the individual to realise his socio-economic aspirations. The achievement of this as well as other objectives of consumption, economic growth and social justice are crucial for any government regardless of ideology to acquire political legitimacy.

The government has adopted two key management strategies (direct and indirect) to deal with the problem of unemployment. Firstly the direct strategy is the several programmes of the National Directorate of Employment (NDE), while the indirect strategy is largely reflected in the "reflationary" budget of 1988.

(i) Direct Management Strategy

National Directorate of Employment (NDE)

The National Directorate of Employment (NDE) is an autonomous body set up by Government to formulate policy and work out strategies for dealing with the problems of mass unemployment in the country especially among school leavers and graduates of Universities and Polytechnics. The operational philosophy of the Directorate's programmes is to assist youths to set up their own businesses in agriculture, small-scale industry, *et cetera*, and enable them to become potential employers of labour in such establishments. The NDE programmes can be broadly catergorised as.

- *(a)* Agricultural Programmes
- *(b)* Small Scale Industries and Graduate Employment Programme
- *(c)* National Youth Employment and Vocational Skill Development Programme
- *(d)* Special Public Works Programme
- *(e)* Waste-to-Wealth Programme
- *(f)* The School Leavers Scheme)
- *(g)* School on Wheels)
- *(h)* Disabled Work Scheme) new programmes

The states had also replicas of these national programmes A quantitative anaylsis of the Federal Programmes is presented in Table 5

A careful look at table 5 shows that actual programmes participation was 155,989 as compared to a planned target of 82,900 participants for 1987. The difference of 73,089, that is 88 1 per cent excess participation demonstrates the magnitude of the unemployment problem. It is little wonder that the inadequate financial allocation to the programmes in 1987 was responsible for the observed participants' frustration with the various schemes all over the country. The total sum of ₦220 million to the various programmes in the current budget is a bold attempt by the government to make the programmes work.

An evaluation of the programmes at the federal level shows that the very tight bureaucratic machine involved in the process of decision-making especially in the release of programme participants' stipend has led to the youths taking to the streets in a few States. Some of those that have become disillusioned with the programmes have withdrawn from participating in them.

The granting of agricultural loan to young farmers is laudable, but success in any agricultural enterprise must extend beyond the provision of financial resources. Management of other necessary inputs are very essential Most important of all is the weather, an unpredictable variable that agricultural business depends on

The reactivation of hitherto dead and dying farm settlements of the early 1960s by the NDE is a step in the right direction The small scale industries which depend on agricultural products will go a long way to help solve part cf the problem

goods and wealth. The role of the State (government) therefore, is to facilitate his potentials and creative talent and energy as a producer.

Questions: The most important questions are.

- *(i)* Can these programmes solve the problem of growing unemployment in the Nigerian economy?
- *(ii)* Will this and future governments continue to have the resources and the political will to keep these programmes from fizzling out?
- *(iii)* What alternative strategies have been adopted under SAP to deal with the problem?

The answer to the first question in my opinion is No, unless a fundamental restructuring of the economy as a major objective of the SAP is

TABLE 5. **Estimates of participation and Costs of the Federal (NDE) Schemes and Programmes**

Scheme/ Programme	Target	Actual 1987	Projected 1988	Loan per Participant	Costs Total Cash (₦)
National Youth Employment and Vocational Skills Dev Programme	50 000	83,000	100,000	₦150/₦180	—
Special Public Works Programme	24,000	26 000	52,000	₦50/₦150/ ₦180	—
Agricultural Programme	1 900 (100 per State)	45 000	100,000	₦11 500	—
Small Scale Industries	5 500	939	10 000	—	₦55m Job Creation Loan Fund
Waste to-Wealth Scheme	1 500	1 050	100 000	₦605 00	₦62 500
School Leavers Scheme	—	—	50 000	—	—
Schools on Wheels	—	—	25 000	—	—
Disabled Work Scheme	—	—	5 000	—	—
Total	82 900	155 989	442 000	—	₦200m

Source Nwankwo, J I "Appraisal of Options for Alternative Education and Employment Opportunities Programmes in Nigeria" Paper Presented at NISER Seminar 17th February, 1988, Table 4 p 27

In summing up the discussion on the direct management strategies it could be concluded that the underlying philosophyof the NDE programmes is marxist Such a Marxist philosophy recognises the individual as a creator of assets, a producer of

achieved While acknowledging my personal inability to provide any answer to the second question, the third question calls for an examination of the indirect management strategies that the government has adopted recently.

(ii) Indirect Management Strategy: 1988 Budget Policy

The indirect management strategy which the government has adopted in dealing with the problem of unemployment is the antithesis of the Marxian perspective. It is a neo-classical approach In this perspective, the individual is seen as a consumer of goods and services. The State is the aggregation of these atomistic consumers whose demands are manifested in the market. The State must therefore seek to satisfy this aggregate demand by providing employment and income elastic enough to provide the economic power to consume more goods and services. Such high consumption will lead the entrepreneur to produce more, expand his business and thus demand more labour.

This hypothesis serves as the theoretical pivot of some of the policies contained in the 1988 government budget. Some of these reflationary policies are:

(i) Lifting of the wage freeze and the granting of the new enlongated salary structure to workers in the public sector: The main objective of this is to raise the disposable income of workers to stimulate demand and production.

(ii) Tax Policy: In order to stimulate investments and growth, tax incentives like lower personal and corporate tax rates which were introduced in 1987 were retained in the current budget.

(iii) Investment Income: Incomes such as dividends, interests, royalties and rents are no longer taxable and above the present 15 per cent withholding tax.

(iv) Small Business Relief: Small and medium size businesses with an annual turnover of ₦500,000 and below and which are engaged in the preferred sectors would be charged a lower rate than hitherto.

These and other reflationary policies are designed to generate the demand for more goods and services which the government hopes would ultimately increase the capacity of the economy to demand more labour. It only needs to be emphasized that the reality of these reflationary policies has been more reflationary up to date rather than expanding labour utilisation capacity of the economy.

(v) Conclusion and Policy Suggestions

An attempt has been made in this paper to demonstrate that the problem of unemployment in the Nigerian economy predates the Structural Adjustment Programme. The problem came to a head and assumed very critical dimensions in 1983 because of the fall in the price of oil in the world market. The oil industry which is a high-technology operation is not only insulated from the rest of the economy, but also, its capacity to utilise local labour is very limited.

The SAP which was adopted in June, 1986 is a courageous and bold step to restructure the national economy. With regard to the problem of unemployment under and within the programme, the government is apprehensive of the multiple and potentially dangerous consequences of mass unemployment. Hence under SAP both direct and indirect policies have been embarked upon in an attempt to manage the problem. While the problem still remains intractable, the question of whether this and succeeding governments will continue to have the resources and the political will to manage the problem and engineer specific solutions remain unanswerable at this stage.

Even if this question cannot be answered now, it must be stated loud and clear that mass unemployment is an economic waste which is socially unjustifiable and politically dangerous. The following suggestions therefore call for consideration as they are essentially provisional.

(i) There is a need to ensure that the data and records of all State Employment Exchanges are coordinated and synthesised so as to obtain an accurate number of all potential programme participants. Local Government areas should also be expected to submit their records to the State offices.

(ii) Part of the functions of the National Directorate of Employment should be to identify on a continuous basis the employment generating potentials of the different regions and sectors of the economy. This could be done in collaboration with agencies like FOS and NISER to facilitate the channelling of trained but yet unemployed ex-participants to such areas.

(iii) State programmes that are run efficiently should not be taken over by the National Directorate, rather, the Directorate should provide more resources for such programmes to be expanded.

(iv) In the area of agricultural programmes, there should be coordination between the NDE, DFRRI and the State and Local Governments.

(v) Rather than give farmers or entrepreneurs loans to operate individually, the possibility of establishing cooperatives should be further explor[ed].

(vi) The government shou[ld] pursue the diversification of the economy with the objective of creating se[lf] employment more vigorous[ly] than hitherto.

REFERENCES

1. Callaway, A, *Nigerian Enterprise and the Employment o[f] Youth*, Monograph Series, No 2, Nigerian Institute of Socia[l] and Economic Researc[h] Ibadan, March, 1973.
2. Federal Republic of Nigeria

(Continued on page 1[...])

UNEMPLOYMENT RATE DROPS

A quarterly urban unemployment survey carried out by the Federal Office of Statistics (FOS) shows that the first quarter of the year had the lowest figure since March last year.

According to it unemployment rate of 7.3 per cent was recorded in March 1988, while rate›s of March, June, September and December, 1987 were 8.7, 10.6, 12.2 and 9.8 per cents respectively.

In the Rural areas, however, a rate of 4.6 per cent was observed in March 1988, as against 3.5 per cent, 4.9 per cent, 6.2 per cent and 6.1 per cent rates recorded for March, June, September and December, 1987 respectively.

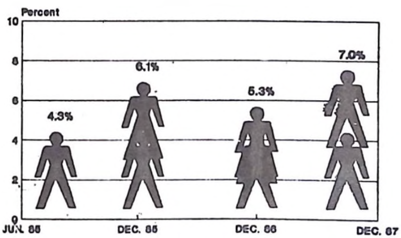
The states with constantly high urban rates (10 per cent and above) were Bendel, Cross River and Imo States with constantly low rural rates (below 5 per cent on the average) were Bauchi, Kwara, Ogun and Oyo.

The composite unemployment rate for Nigeria ranged from the lowest 4.3 per cent in June 1985 to the highest 7.4 per cent in September, 1987. However, the rate for March, 1988, was 5.1 per cent.

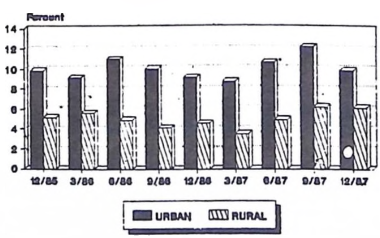
Daily Times, Friday, September 6, 1988.

National unemployment rate

NATIONAL UNEMPLOYMENT RATE
1985 - 1987



UNEMPLOYMENT RATES
URBAN & RURAL



PEFERENCES (Continued)

Social National Development Plan, 1970—74, p. 313.

3. Federal Republic of Nigeria, *Third National Development Plan*, 1975—80, p. 251.
4. Ibid, p. 382.
5. Diejomaoh, V. P. and Orimolade, W. A. T., "Unemployment in Nigeria: An economic analysis of scope, trends and policy issues". *Nigerian Journal of Economic and Social Studies*, Vol. 13, No. 2, July, 1971
6. Nigerian Institute of Social and Economic Research, *Social Impact of the Structural Adjustment Programme*, Monograph Series, No. 1, 1988
7. Oni, B., "The Structural Adjustment Programme and Unemployment. An Evaluation." in Phillips, A. O. and Ndekwu, E. C. (eds.), *Structural Adjustment Programme in a Developing Economy. The Case of Nigeria*, Ibadan, NISER, 1987, p. 213.
9. Oni. Ibid, p. 214
10. Phillips. D. *The Performance of the Nigerian Economy Under SAP*, Ibadan. NISER 1988, p. 15

Dr. Oni is a senior Research Fellow of NISER, Ibadan

Dr. Oni is a senior Research Fellow NISER, Ibadan.

NIM welcomes Crown Merchant Bank to Idowu Taylor

The Management of the Nigerian Institute of Management has officially paid a welcome visit to the Management of Crown Merchant Bank at No. 8, Idowu Taylor, Victoria Island, on Wednesday, 31st August, 1988.

Receiving the Director-General of NIM, Prof. James Ogunlade, in his office, the Managing Director of Crown Merchant Bank, Mr. Deniss Rodd, expressed his delight at the visit and promised to work closely with NIM in order to foster the corporate objectives of the two organisations.

Export Financing?

Let our experience work for you.

These days, you'll find more and more people offering to service your needs as an exporter. What you really need though, is the benefit of experience. At NAL Merchant Bank, that is something we have in abundance.

As the pioneer merchant bank in the country; we have, for long, been involved in financing and generally facilitating trade between Nigeria and the rest of the world. With a network of correspondent banks spanning all the continents of the globe and a track record of successful trade finance, we are uniquely well-placed to guide Nigerian exporters through the intricate process of selling abroad.

From the arrangement of documentary credits, guarantees and acceptances to putting together, innovative financial packages, ours is a uniquely dynamic, flexible and time-tested service designed to suit your specific requirements as an exporter.

We do not stop here. We even go further, should you so desire, to furnish trade information, advice on exchange rates, arrange market surveys and otherwise ensure that when you enter a foreign market, you do so well-armed; and competitively.

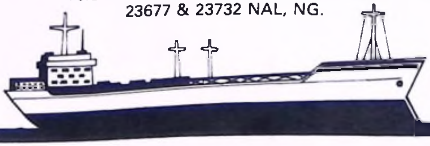
All of which means that if you are thinking of selling abroad, we are the people to see.

Come to NAL. Come to EXPERIENCE

NAL

NAL Merchant Bank Limited

Head Office: NAL Towers, 20 Marina
P. O. Box 2432, Lagos, Nigeria
Telephone: 635843, 600850-9, 600890-4, 600420-9
Telex Nos. 21505, 22941, ACCEPTO NG.
23677 & 23732 NAL, NG.



BOOKSELLER

REVIEWS

Made in Nigeria

Title: Made-In-Nigeria. 1988
Publisher: Sun Editions Limited
Lagos Office: 18B, Pelewura Crescent, Apapa, Lagos
P.O. Box 50840, Falomo—Ikoyi
Available: French Cultural Centre Victoria Island
Major Hotels and from the Publisher
Price: ₦150.00
Pages: 400
Reviewer: Dele Osundahunsi

THE 400-page Made-In-Nigeria guide is in its second edition and it is particularly designed as a guide for businessmen, investors, manufacturers, corporate bodies, international organisations, individuals and all those who seek to know about Nigeria, its people, resources and potentialities. Consequently, the 2,500 companies listed are classified into 20 sectors of activities; 200 sub-sectors and 21 states of the federation with Abuja, the Federal Capital Territory making 22 in number.

It has further analyzed investment incentives for foreign and Nigerian investors; the agricultural and agro-allied sectors, oil and energy sector; banking and finance, telecommunication; iron and steel industry, and the tourist industry among others.

Some of its relevance and usefulness are in featuring Nigerian industrial and financial policies and guidelines up to 1987. Probably the most useful part is that titled "Useful Addresses" which has over 2,500 entries more than twice the entries in the previous edition.

BOOK LIST

1. Ade Ojo & Wole Adewumi. *Co-Operative Banking in Nigeria*. Lagos Unilag Press Nigeria
2. Eko, Ebele (ed.) *Effective Writing*. Uyo. *Scholar Press 1987*
3. Ekpott, I. D. (ed.) *The Making of Effective Manager* Uyo. Ododuma & Co. 1983
4. Femi K. & Ibi A. (ed.) *The Nigerian Economy Under the Military Nigerian Econ. Society*
5. HEC *Proceedings of the Workshop on Women, Training and Management* Montreal. 1987
6. Nwosu, Humphrey (Dr.) (ed.) *Problems of Nigerian Administration* Enugu. Fourth Dimension
7. Obasanjo, Olusegun. *Africa Embattled*. Lagos — 1988
8. Thurman, J. E., A. E. Louzine and K. Kogi. *Higher Productivity and a Better Place to Work*. Geneva. ILO. 1988 (Price 15 Swiss Francs)
9. Touraine, Alan. Wieviorka, Michol & Dubet. *The Workers' Movement*. Cambridge. Cambridge University Press. 1987
10. Vance, Stanley, Prof. (ed.) *Corporate Leadership*. New York McGraw Hill Book Company. 1988

The Workers' Movement

Title: The Workers' Movement
Author: Alain Touraine Et-Al
Pages: 322
Date: 1987
Publisher: Cambridge University Press
Price: £35.00
Reviewer: Chris Amah

THE book is divided into four parts and contains fifteen chapters in all.

Part one defines the coverage of workers' movement and concludes with techniques for analysing trade-union action; and the relevance to workers consciousness and production. Part two titled **Class Consciousness** deals with labour crisis associated with pressure groups and inherent class struggles.

Part three projects into the future of workers' movement, level and status as their leaders move from unskilled workers to new proletarians.

The book concludes by looking at Trade Unionism without workers' movement, collective bargaining and rounds off with trade union politics.

The book was originally written in French in 1984 but translated by Patterson. As usual, some of the original flavour must have been lost.

The inclusion of notes, select bibliography, and index will be an added asset to the users of this book.

ODODUMA IS TEN

THE Ododuma Business Journal published by Ododuma and Company turned ten this April.

The journal founded with the basic notion of filling an observed gap created by lack of managerial, economic and industrial behavioural information to management of parastatals is the brain child of two professionals, Chief I. D. Ekpott and S. U. Akpan.

The journal, according to its Editor, Mr. Chris Udofia, has contributed a great deal to educating, entertaining as well as informing the general public and investors all over the world.

As part of the anniversary package, the publishers have decided to assemble all the past editions of the journal into a book as a means of helping fact finders interested in Nigeria's business information.

NIGERIAN ECONOMIST CELEBRATES 1ST BIRTHDAY

THE Nigerian Economist Magazine celebrates its first birthday on the newstand competing favourably with Newswatch, Quality, This Week, Newsweek and Time Magazines to mention a few as Nigeria attains the age of 28

In the last one year, it has carried topical issues on the Nigerian economy including a trip into Post-SAP Era, Economic Self-Reliance, Rationalisation of the Foreign Exchange Market (FEM), the Debt Crisis, National Headcount, The JMB issue, Mafia, Export the Food Crisis and the Political Transition Programme. In all, it has published 27 issues between August 1987 and 10th October, 1988.

The success achieved so far is not surprising knowing that the ship of the magazine has been piloted by big names in the mass media world led by Mallam Haroun Al-Rashid Adamu, (The Publisher/Editor-In-Chief), Jibrilla Mohammed (Managing Editor), Livy Iwunze (Editor) and Dr Chiichii Ashiwe, (Editor and the Head of Research)

No doubt, Haroun and Livy have carried with them the experiences, hardship and determination acquired in the Punch which they have no doubt built into a resolution of bargaining for Success but nothing less

Management In Nigeria says Happy Birthday

DUYILE CATALOGUES MAKERS OF NIGERIAN PRESS

IT was on Thursday the 22nd of September at the usual venue of book lunching—the Nigerian Institute of International Affairs—that the "Makers of the Nigerian Press" by Chief Dayo Duyile was launched by Mr Femi Ajayi, Chairman of Financial Trust Bank and publisher of "The Republic" newspaper. Chief Ajayi launched the book with ₦500.00.

The occasion brought together heavy weights like Alhaji Lateef Jakande who chaired the occasion, Oba Babatunde Akran, the Oba of Badagry, Dr. Tai Solarin, an Educationist, Mr Abiola Olasope, Dr Doyinsola Abiola Concord Managing Director and the young reporters

Speaking on the occasion, Alhaji Lateef Jakande, former Lagos State Governor said he considered the occasion very important and would have paid to go in. He remarked that the Nigerian press "is the freest in Africa, but the freedom is one that has been won with great efforts"

NIGERIAN JOURNAL OF FINANCE LAUNCHED

THE Nigerian Finance Association has launched a new journal titled the *"Nigerian Journal of Finance"* at the Nigerian Institute of International Affairs on the 29th of September, 1988

The Editor is Professor Francis Okafor of the Dept. of Finance, University of Nigeria, Enugu Campus. The President of the Association is Professor Ojo of the Department of Finance, University of Lagos.

NIGERIAN FINANCIAL REVIEW BORN

A journal, Nigerian Finance Review has made its debut into the Nigerian market. It was launched recently at the Nigerian Institute of International Affairs Victoria Island.

The quarterly journal said to be a reference document carries well researched and insighting articles. The journal will deal with issues bordering on finance, economy and typical business issues

Said to be for top managers, decision makers and other professionals in public and private sectors, the journal promises to be authoritative, reliable, and analytic

13TH IFE BOOK FAIR, JANUARY 17 — 20, 1988

THE thirteen years of Ife International Book Fair will be celebrated from January 17—20, 1989. The Opening Ceremony will be held on January 17, during which Distinguished Authors will be honoured. It will be held in the prestigeous Oduduwa Hall as usual.

The venue for the exhibition is the University Square where every exhibitor will enjoy ample space. The organisers are committed to a spectacular event and the occasion will offer a unique opportunity to all members of the book trade and book community. All publishers, book agents and distributors, librarians, authors, students, and lovers of books are cordially invited to participate

For further details, please contact

Fair Manager,
Ife Bookfair,
University of Ife Bookshop Ltd
Obafemi Awolowo University,
Ile-Ife Oyo State, Nigeria

STRATEGIES FOR NEW WAGES NEGOTIATION WITH INDUSTRIAL UNIONS: EMPLOYERS' VIEW POINT

by
EFIONG OKODI UKO

SINCE the lifting of the wage freeze in January, there has been an increase in the tempo of industrial relations activities in various Trade Groups. Whilst all employers have been willing to negotiate salary increases, the renegotiation of fringe benefits has been a source of friction in some Trade Groups between the employers and the unions. The enormity of the problem and the timing of the lifting of the wage freeze have made it imperative for all employers to evolve a common strategy for dealing with the problems which have arisen over the negotiation of new salary structures and fringe benefits.

Background

Before one can appreciate the factors responsible for the attitudes adopted by employers and unions in Trade Groups, where the employers have been reluctant to renegotiate fringe benefits, it may be necessary for us to examine prevailing practices in industrial relations and developments in the Trade Groups before the wage freeze was lifted by the Head of State in his New Year Broadcast. It is an accepted norm in industrial relations that wages and other terms and conditions in the private sector are usually determined through negotiations between employers and the unions. Agreements resulting from such negotiations usually have a life span varying from two to three years. At the end of the period, there is usually fresh negotiations which could result in improvements in already negotiated terms or in the maintenance of the status quo in certain items where both parties are unable to agree on a change. This pattern did not change with the introduction of industrial unions although the process of arriving at decisions became more complicated with many employers or unions which were hitherto independent now belonging to one Employers Association or to Industrial Unions respectively.

Efiong Okodi Uko

Whilst general increases in salaries were not permitted under the Incomes Policy Guidelines, employers and unions were at liberty to conduct negotiations on terms and conditions provided what was agreed was sent to the Ministry of Employment, Labour and Productivity for approval. Apart from modest increases in salaries which were allowed in 1981, no general increases have been permitted for well over six years in both the public and private sectors. With regard to fringe benefits, many Trade Groups have concluded at least two agreements since 1979 when negotiations in the new Trade Groups started in earnest but these agreements were not reached at the same time. A lot depended on the pace at which each Employers Association and the Industrial Union conducted their negotiations. Certain problems, however, arose between 1982 and 1983 when a few collective agreements came up for renegotiation. The economy had run into problems and it was apparent to most employers and to the unions that any decision to renegotiate terms and conditions would be an exercise in futility. Most prudent organisations were therefore reluctant to commit themselves to agreements which they would not be able to honour and the unions themselves were put in a position where they were also finding it difficult to settle for terms and conditions which could be regarded as inferior. It was therefore not usual in a number of Trade Groups for employers and the unions to suspend negotiations for specific periods varying from six months to a year in the hope that the economy would improve to make negotiations more meaningful and rewarding to both parties. However, in the face of mounting pressures from the unions between 1985 and 1986, a number of employers agreed to negotiate on certain terms and conditions and to arrive at rates which they felt their businesses could absorb. In certain cases employers and unions chose only a few selected items on which they were prepared to make concessions whilst leaving other items until there was a remarkable improvement in the economy Some other employers without the knowledge of their colleages in the Trade Group also made concessions to their workers outside the framework of the existing Collective Agreements. In a few other cases, some Trade Groups concluded agreements which were open ended and which did not indicate the expiry dates while others entered into temporary agreements of a short duration not exceeding one year The general picture was that many employers entered into agreements which would expire on various dates between 1988 and 1990 Some of these agreements have already expired and are now due for renegotiation In arriving at agreements in these Trade Groups, due account was taken of the prevailing circumstances and of the employers ability to pay and the concessions were not of an extravagant nature

Civil Service Restructuring

Before delving into the question of strategy which employers have now adopted in the negotiations, it may be pertinent at this stage to say that one factor which made it imperative for employers as a group to evolve a firm and effective strategy was the announcement by the Head of State in his New Year message that a package of incentives and a new salary structure had been introduced for public servants to take effect from 1st January Unions and employers in the private sector were expected to negotiate and agree on what was affordable, reasonable and modest For the first time in the history of the country, fringe benefits introduced by the Government were in a number of areas, superior to the prevailing rates in many private sector organisations particularly in relation to the key items like housing and transportation allowance. Although there was no general percentage increase in salaries for public servants, the overall effect of the new scales were to enhance the basic salaries of the vast majority of public servants who had been in service for four to five years. It was against this background that the private sector was asked to negotiate.

Strategy

Perhaps, at this stage we should examine the state of the economy to see whether employers as a whole were financially capable of making major concessions as Government had done, in the light of their performances It is common knowledge that since the onset of the recession, many companies have found it difficult to maintain their normal levels of operations while some have virtually collapsed Only companies in a few sectors can boast of reasonable profits on account of the privileged positions which they occupy in the economy Notwithstanding whatever problems employers in the private sector have been facing or whatever reservations they might have had about the approach adopted by the Government in compensating its employees, these employers had no alternative but to get prepared for negotiations since it was apparent that approaches would be made by the unions for improvement in terms and conditions In view of the fact that negotiations would be carried out particularly on salaries in all the Trade Groups, it was incumbent on all employers to endeavour to fashion out a meaningful strategy for dealing with the union Such a strategy had to take account of four main factors

(i) Unlike Government, employers in the private sector depend on profits and under the present conditions, these employers cannot afford to be as generous as they might have wished. Whilst Government can as a political authority change a decision concerning the salary scales and fringe benefits if it is convinced that it can no longer afford to pay employees, employers in the private sector cannot take such a risk without being embroiled in industrial actions

(ii) There is a Trade Group structure in the private sector and the fortunes of these Trade Groups differ. What is affordable in one sector may strangulate companies in other sectors.

(iii) Salaries were last reviewed in 1981, and employers may not convincingly argue that they cannot afford to grant an increase at this point in time no matter how modest

(iv) There was no freeze on fringe benefits and employers have been negotiating with unions Some agreements have expired and are due for renegotiation whilst others are still subsisting and are not due for renegotiation until 1989 or 1990

Based on these factors, employers as a first step were expected to keep their house in order by taking decisions on or by seeking clarification on the following issues, as appropriate

(i) What can be offered by way of salary increase? Should there be uniform rates or should the rates be determined sectorally? The fact that the impact of the recession on businesses is not uniform ruled out the possibility of the payment of a uniform rate. The various Trade Groups then had to decide on their own rates but they were expected to liaise with other employers to ensure that there was discipline and consistency in the negotiations and to guard against leap frogging. Judging from increases so far conceded on salaries, employers with some exceptions appear to be thinking alike and there has been a reasonable measure of discipline

(ii) Employers had to seek clarification on correct interpretation of 'affordable, reasonable and modest'. By using these words Government was simply saying that employers and the unions should not aim at rates which the business could not absorb without adverse consequences on the ability of such organisations to survive or to maintain their current levels of employment.

(iii) Employers also had to decide on the correct approach to adopt on agreements on fringe benefits which had not yet expired and which still had some years to run. This is a crunch area in which problems are being experienced in some Trade Groups where the unions are insisting that the basis of previous agreements has ceased to exist and that employers should be prepared to enter into fresh agreements.

Union Approach

In asking for renegotiations of unexpired agreements, the unions are basing their case on three major factors:

(i) First of all, they are of the view that Government rates cannot be superior to rates in the private sector where the demand on employees and the risks are usually greater than what would normally obtain in the public sector. They, therefore, want to match these rates if they cannot surpass them. For the purpose of comparison, Government and private sector rates for junior staff on certain key items are as follows:

Fringe Benefits	Public Sector	Private Sector
Transport	₦80 00	₦20 00
Housing	₦30 — 110	₦20 00
Leave Allowance	N200 — 250	₦110 00
Out of Station	₦60 00 per night	₦10 00 per night

Perhaps one should mention that although Government may have had reasons for deciding on these rates, the discordant tunes now being sung by some State Governments show that they might not in the long term be able to pay these rates without their development programmes being jeopardised and without their asking for higher subventions from the Federal Government. The alteration in the conversion formula relating to salary scales in the public sector barely a few weeks after they were published may be an indication of what could happen if the new rates become an intolerable burden for the Government.

(ii) Another argument the union is advancing is that employees in the private sector belong to the same economy and with the present rate of inflation in the country which can be attributed to a great extent to the announcement of public sector benefits, it would be inequitable for employers to pay their members anything inferior to what obtains in the public sector.

(iii) It is also the contention of the union that the basis or agreements originally concluded within the Trade Groups has ceased to exist on account of the phenomenal increases granted by Government.

Employers Approach

The employers on the other hand are of the view that a shift of stand on this particular issue will be disastrous for the practice of industrial relations in the private sector, for the following reasons:

(i) Any agreement concluded between an employer and the union is a binding document and should only be changed in accordance with conditions stipulated in the Collective Agreement voluntarily signed by both parties.

(ii) Where changes in a Collective Agreement can be forced upon a party as a result of external developments, this will be an invitation to chaos and indiscipline. Such external factors could be governmental as is the case at the moment or could be the achievement of superior terms by unions in other Trade Groups. In a situation of this nature there would be no end to negotiations.

(iii) If changes can be allowed in agreements signed when they are still to expire, an employer who may be having a difficult time may decide to ask the union to agree to a reduction in allowances and any other benefits which could have been agreed in previous negotiations.

(iv) Long term stability and planning in the private sector will be seriously impaired if the integrity of agreements entered into between Employers Associations and the Unions cannot be guaranteed.

Employers as a whole are not unaware of problems inherent in the irreconcilable positions taken by them and some unions. Certain facts which may create concern for employers are becoming evident in the current negotiations and the unions, not unexpectedly, are trying to make capital out of them.

(i) There have been allegations for instance that a few employers have agreed to renegotiate increases in fringe benefits even when the original agreements have not expired. Documentary evidence has not, however, been produced to confirm these allegations. Even if a negligible number of employers are in breach of the collective stand of the employers, it is gratifying to note that the majority have not capitulated under pressure from unions.

(ii) Some agreements which were concluded in some Trade

Groups last year have no expiry dates. In theory such agreements can be renegotiated now because there may be no infringement of Procedural Agreement. One, however, wonders whether there was any compelling reason for concluding such agreements contrary to normal practice but one may not rule out the fact that there could have been extenuating circumstances.

By far the greatest problem which is now confronting employers is the fact that while some Trade Groups whose agreements on fringe benefits have expired or who concluded open ended agreements may be able to agree new rates, others may have to wait till 1989 or in some cases till 1990 to enter into new agreements. For companies whose operations straddle different Trade Groups like UAC, SCOA, CFAO and John Holt, employees in units belonging to Trade Groups where agreements have not been concluded would feel bitter if their colleagues in other areas of the organisations were enjoying improved benefits by virtue of their belonging to Trade Groups where new fringe benefits had been negotiated and agreed. Such a situation could put a strain on relationships within the business and lead to unofficial strikes.

Solutions

In an effort to solve the problems discussed above, a number of options could be considered.

(i) First of all, it has been suggested that employers should stick to their guns by not agreeing to renegotiate the unexpired agreements. However, one school of thought is of the view that this approach bristles with dangers in that it could, apart from triggering off a spate of industrial actions, also give the unfortunate impression that management is not sensitive to the hardship brought about by the prevailing situation on their staff in the various organisations. A development of this nature could cast dark shadows on long term relationships between management and staff in these establishments.

(ii) The second option is for employers who are put under pressure to agree to renegotiate terms and conditions at the moment provided whatever is agreed will only be implemented after the subsisting agreement has expired. Where one is thinking of an interval of six months, this solution may not create serious problems but it might be inadvisable for an employer to agree on terms and conditions which will only take effect after a year or two in cases where the subsisting agreements will expire in 1989 or 1990. The problem here is that the employees will feel frustrated when superior terms agreed are deferred for one or two years before they are implemented.

(iii) Another option which has been proposed is for employers to offer some Cash Benefits outside the ambit of the Collective Agreements on condition that the unions agree to drop their demands for renegotiation of the unexpired agreements. After months of protracted discussions between two Employers Association and the Unions, this particular solution has been adopted and it appears to have satisfied both parties without doing violence to the principle that Collective Agreements must be respected once they are concluded.

In these Trade Groups, the employers have offered to give Supplementary Cash Benefits of ₦30.00 per month to each employee to cover those items which are not yet due for renegotiation and this has been accepted by the unions. This has been done in recognition of the problems which employees are experiencing as a result of the present situation and in furtherance of the employers objective of promoting industrial peace. The case grant does not relate to any specific item and is not taxable.

The snag in this decision is that when the subsisting agreements expires, sometime in 1989, the union will regard whatever amount is paid now as cash benefit as a base from which to negotiate better terms. This could in the long run be an expensive option for employers.

(iv) The fourth option could be the employers and the unions to renegotiate only certain aspects of the agreement like transport allowance having regard to the recent escalation in transportation costs. The agreement would make it categorically clear that the decision to renegotiate was based on the prevailing situation and was aimed at alleviating the hardship which employees could be experiencing. The agreement would also contain a clause that this approach should not be regarded as a precedent. Protagonists of this approach maintain that no collective agreement is sacrosanct and that if there are extenuating circumstances and the two parties agree, an agreement can always be changed. They believe that the recent decision taken by Government on terms and conditions coupled with the phenomenal rise in the cost of living provide ample justification for a renegotiation of certain aspects of collective agreements like transport and

(Continued on page 32)

NIM LAUNCHES COURSES FOR 1989

The Nigerian Institute of Management has announced its courses for the 1989 course year. The courses will start from March and run through to December, 1989.

One of the highlights of the announcement is the introduction of new unscheduled courses like Management for Local Government Administrators and Marketing for Non-Profit Making Organisations. Details of the programme are announced hereunder:

Course No.	Course Title	Date	location
	MARCH		
898	Management Appreciation	13 — 17	Lagos
		13 — 17	Kaduna
		13 — 17	Aba
907	Supervisory Management	13 — 17	Lagos
926	Effective Selling Skills	13 — 17	Lagos
	APRIL		
902	Production Planning & Control	3 — 7	Lagos
935	Developing Supervisory Leadership Skills	3 — 7	Lagos
899	Management Course for Executive Secretaries and Personal Assistants	3 — 7	Aba
		17 — 21	Lagos
907	Supervisory Management	10 — 14	Aba
929	Leadership and Motivation in Management	10 — 14	Kaduna
920	Accounting for Supervisors and Senior Clerks	10 — 14	Lagos
924	Field Sales Management	17 — 21	
897	How to Improve Managerial Performance	24 — 28	Kaduna
	MAY		
894	Advanced Management Course	15 — 2/6	Lagos
897	How to Improve Managerial Performance	22 — 26	Lagos
918	Banking and Corporate Cash Management	22 — 26	Lagos
927	Product & Branch Management	22 — 26	Lagos
903	Inventory Management	29 — 2/6	Lagos
926	Effective Selling Skills	29 — 2/6	Lagos
935	Managing The Team	29 — 2/6	Lagos
898	Management Appreciation	29 — 2/6	Kaduna
929	Leadership & Motivation in Management	29 — 2/6	Aba
	JUNE		
892	Corporate Strategy for Directors	5 — 9	Lagos
896	Middle Level Management Course	12 — 23	Kaduna
		19 — 30	Lagos
		26 — 7/7	Aba
898	Management Appreciation	12 — 16	Lagos
906	Work Study	19 — 21	Lagos
909	Organisation & Methods	5 — 9	Lagos
910	Advanced Management Accounting and Information Control	5 — 16	Jos
923	Marketing Research	12 — 23	Lagos
929	Leadership & Motivation Management	26 — 30	Lagos
935	Developing Supervisory Leadership Skills	12 — 16	Lagos
897	How to Improve Managerial Performance	12 — 16	Aba

NIM LAUNCHES COURSES FOR 1989

JULY

Course No.	Court Title	Date	Location
907	Supervisory Management	3 — 7	Lagos
915	Budgeting and Budgetary Control	3 — 7	Lagos
924	Field Sales Management	3 — 7	Lagos
937	Effective Human Relations in Organisation	3 — 7	Lagos
929	Leadership and Motivation in Management	3 — 7	Jos
896	Middle Level Management	3 — 7	(Continued)
904	Network Analysis & Project Management	17 — 21	Lagos
891	Corporate and Boardroom Management for Directors	17 — 21	Lagos
919	Managing Accounting Departments	17 — 21	Lagos
925	Selling of Industrial Products	17 — 21	Lagos
898	Management Appreciation	17 — 21	Kaduna
		24 — 28	Lagos
926	Effective Selling Skills	17 — 21	Aba
916	Credit & Debt Management	24 — 28	Lagos
899	Management Course for Executive Secretaries & Personal Assistants	31 — 4/8	Lagos & Port Harcourt
935	Developing Supervisory Leadership Skills	31 — 4/8	Kaduna
928	Personnel Management (Res)	24 — 11/8	Lagos
908	Practical Purchasing Management	31 — 4/8	Lagos

AUGUST

Course No.	Court Title	Date	Location
910	Advanced Management Accounting & Information Control	7 — 18	Lagos
917	Management Auditing	7 — 11	Lagos
928	Personnel Management	7 — 11	(Continued)
894	Advanced Management Course	14 — 1/9	Enugu
907	Supervisory Management	14 — 18	Lagos
921	Marketing & Sales Management	14 — 1/9	Lagos
902	Production Planning & Control	21 — 25	Lagos
914	Internal Auditing	21 — 25	Lagos
938	Understanding Human Behaviour Course for Senior Nursing Officers	21 — 25	Lagos
920	Accounting for Supervisors and Senior Clerks	28 — 1/9	Lagos
933	Managing People for Desired Results	28 — 1/9	Lagos

SEPTEMBER

Course No.	Court Title	Date	Location
900	Work Study, Productivity and Cost Reduction	4 — 29	Lagos
911	Financial Management for Directors	4 — 8	Lagos
930	Job Evaluation and Salary Administration	4 — 8	Lagos
897	How to Improve Managerial Performance	4 — 8	Aba
898	Management Appreciation	11 — 15	Lagos
	Management Appreciation	25 — 29	Lagos
923	Marketing Research	11 — 22	Lagos
929	Leadership and Motivation in Management	11 — 15	Sokoto
935	Developing Supervisory Leadership Skills	18 — 22	Lagos
898	Management Appreciation	18 — 22	Port Harcourt
893	Top Management for Senior Executives	25 — 29	Kano
913	Management Accounting	25 — 29	Lagos
926	Effective Selling Skills	25 — 29	Lagos

NIM LAUNCHES 1989 COURSE

OCTOBER

Course No.	Course Title	Date	Place
897	How to Improve Managerial Performance	9 — 13	Lagos
901	Advanced Production Management	9 — 27	Lagos
927	Product and Brand Management	9 — 13	Lagos
929	Leadership and Motivation in Management	9 — 13	Lagos
	Leadership and Motivation in Management	23 — 27	Kaduna
	Leadership and Motivation in Management	23 — 27	Owerri
907	Supervisory Management	9 — 13	Aba
924	Field Sales Management	16 — 20	Lagos
931	Industrial Relations	16 — 20	Lagos
895	MBO Advisers Course: Getting Results Through MBO	23 — 10/11	Jos
919	Managing Accounting Departments	23 — 27	Lagos
912	Finance for Non-Finance Executives	30 — 3/11	Lagos
934	Personal Effectiveness: Self and Time Management	30 — 3/11	Lagos
896	Middle Level Management	30 — 10/11	Kaduna

NOVEMBER

Course No.	Course Title	Date	Place
903	Inventory Management	6 — 10	Lagos
910	Advanced Management Accounting and Information Control	6 — 17	Port Harcourt
922	Advertising, Sales Promotion and Merchandising	6 — 17	Lagos
896	Middle Level Management	6 — 17	Port Harcourt
	Middle Level Management	20 — 1/12	Lagos
932	Employment Laws and Regulations	13 — 17	Lagos
926	Effective Selling Skills	20 — 24	Lagos
935	Developing Supervisory Leadership Skills	20 — 24	Lagos
898	Management Appreciation	20 — 24	Zaria
905	Maintenance Management	27 — 1/12	Lagos
915	Budgeting & Budgetary Control	27 — 1/12	Lagos
899	Management Course for Executive Secretaries and Personal Assistants	27 — 1/12	Enugu

DECEMBER

Course No.	Course Title	Date	Place
918	Banking and Corporate Cash Management	4 — 8	Lagos
924	Field Sales Management	4 — 8	Lagos
933	Managing People for Desired Results	4 — 8	Lagos
897	How to Improve Managerial Performance	4 — 88	Kano
898	Management Appreciation	11 — 15	Lagos
907	Supervisory Management	11 — 15	Lagos
929	Leadership and Motivation in Management	11 — 15	Lagos
935	Developing Supervisory Leadership Skills	11 — 15	Kano
926	Effective Selling Skills	11 — 15	Aba

"Management In Nigeria" Advert Rates 1989

Colour

	₦
Outside Back Cover	4,320
Inside Front Cover	3,888
Inside Back Cover	3,744
Page Opposite Inside Back Cover	3,456
Fourth Page to Outside Back Cover	3,168
Page Opposite Content Page	3,456
Page Opposite the Inside Front Cover	3,456
Centre Spread	6,000
Four Page Pull Out	12,480
A Double Page Advert	5,748
Half Page Advert	1,728
One Spot Colour	720

Black and White

Full Page (R.O.P.)	2,448
A Double Page Advert	4,608
Half Page	1,606

NIM News Letter

NIM APPOINTS TWO NEW DIRECTORS

NIM appoints two new directors of Membership Services; and Training, Research and Consultancy. They are Mr. Biodun Jolaoso and Dr. Ben Nwaochei respectively.

Until his new appointment, Mr. Jolaoso was the Project Manager of the Institute.

He attended Government College, Ibadan, the University of Ibadan, University of Lagos and University of Paris-Sud. His academic qualifications include B.Sc. M.Sc. and MBA.

He joined the services of the Nigerian Institute of Management in January 1980, as Project Manager, for Management House and has served the Institute in several other capacities. As a distinguished Rotarian, he is the immediate past President of the Rotary Club of Mushin. He speaks English and French fluently and is a member of the British Institute of Management, Nigerian Institute of Management and American Management Association among others.

In a brief interview with "Management-In-Nigeria", the new Director of Membership Services said that his focus would centralized on bridging the communication gap between NIM Headquarters and the branches. He intends to do this by synchronising the activities of both, so that the national image of the Institute can be felt at all tiers of governance.

Dr. Ben Nnaemeka Nwaochei, attended Edo College, Benin-City, Government College, Ibadan, University of Lagos, Columbia University in the City of New York, U.S.A.; and Rutgers University, New Brunswick, New Jersey, U.S.A. He also attended several Management courses both locally and overseas.

His academic qualifications are B.Sc. Mechanical Engineering, Post-graduate Diploma in Petroleum Technology, M.Sc., and Ph.D. in Applied Geophysics.

His 20—year experiences vary between the industry, university teaching, research and consultancy having been a Project Engineer in Lever Brothers, Hardesty and Hanover of New York, a lecturer at City University of New York, and University of Benin. Before joining NIM, he was the Chief Executive of B & R Associates, a Lagos —based Technical and Management Consulting firm.

He is a member of the Nigerian Institute of Management, Society of Petroleum Engineers, Society of Exploration Geophysicists and a Registered Engineer. He has also authored several publications in learned journals.

Speaking to "Management-In-Nigeria" on assumption of duty, the new Director of Training, Research and Consultancy commended the short-term training programme of the Institute as highly established and promised to work towards broadening the clientelle of Institute's consultancy services and in-plant training programmes.

A. O. Jolaoso. (D.M.S.) *Dr. Nwaochei (D.T.R.C.S.)*

NIM SCOOP ELECTS OFFICERS

At the AGM of the NIM Cooperative Thrift and Credit Society, held on 31st of August, 1988, in the Fountain Courtyard of Management House, the following were elected officers of the body for 1988/1989.

Mr. A. O. Jolaoso —*President*
Mr. Ade Akintomide —*Vice President*
Mr. A. A. Hodonu —*Treasurer*
Mr. G. U. Njoku —*Secretary*
C. A. Oloruntuyi, O. Ogunwale, F. Balogun (Mrs), J. B. Fasina and A. Adeyeye —*as ex-officio members.*

One of the highlights is the unanimous re-election of Mr. A. O. Jolaoso, as the President for a record fourth term of office.

The NIMSCOOP which draws its members from across the board of NIM members is a Co-operative Thrift and Credit Society which apart from lending money to members at non commercial interests also makes essential commodities available to them at affordable prices.

EDOGHON IS M.D.

The Board of Directors of Nigerian Dynamic Limited, has announced the appointment of Mr. Peter O. Edoghon as the Joint Managing Director of the company. The company constructs roads, bridges and dams.

Mr. Edoghon, 44, was seconded as the Co-Ordinating Manager from Mandilas Group Limited, which he joined in 1970, and in 1980 became the Executive Director.

A Chartered Secretary, he is a fellow of ICSA, the Institute of Directors, London, American Management Association as well as a Full Member of the Nigerian Institute of Management of which he has been the Secretary of the Benin Branch for the past twelve years.

NIM Council visits Chief of General Staff

The Council of NIM led by Engineer Teju Oyeleye, paid a courtesy call on the Chief of General Staff, Vice-Admiral Augustus Aikhomu, on Tuesday the 11th of October, 1988. Apart from congratulating the Chief of General Staff for being the first military personnel to be elected to the fellowship of NIM, the President of NIM and Chairman of Council added that NIM had picked up the challenge thrown to NIM during the Fellowship Award Ceremony which reads:

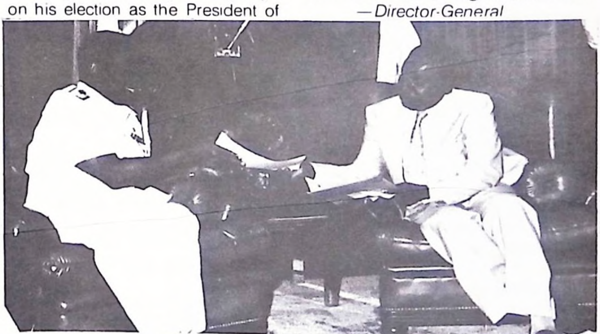
"With the professionalisation of the Civil Service and making it more result-oriented, I would like to see the Nigerian Institute of Management, direct, as a deliberate policy, its courses, seminars and professional programmes to the public service in order to improve the performance of young managers in the service as the true challenge of the public service now is how to make it play its proper role efficiently and effectively".

Council then seized the opportunity to remind the CGS of the objectives of NIM to promote the art, science and practice of good management and that in this regard, NIM's training courses have been repackaged to meet the specific requirements of he local government system en route semi-autonomy; the new result-oriented public service system as well as the parastatals in their transition towards provatisation and commercialisation. Council also reminded the CGS that the second instalment of the Federal Government's payment on the Management House was still outstanding.

In a short reply, the CGS thanked NIM for the honour done him in electing him a fellow and expressed his pleasure at meeting the Council. He congratulated Engineer Oyeleye on his election as the President of NIM and Chairman of Council of NIM and looked forward to working closely with the Institute in the areas of management training for public servants in order to improve the quality of management within the public services in general.

The team comprised:

1. Engr. 'Teju Oyeleye, *FNIM — President & Chairman of NIM Council.*
2. Surv. Adekunle Kukoyi, *FNIM, — 1st Vice President.*
3. Mrs M. R. A. Adeleke, *FNIM*
4. Chief (Mrs) D. B. A. Kuforiji-Olubi, *FNIM*
5. Chief Folarin Coker, *FNIM*
6. Alhaji A. O. G. Otiti, *FNIM*
7. Alhaji Iya Farouk, *MNIM*
8. Mr. M. O. Okereke, *MNIM*
9. Prof. J. O. Ogunlade, *MNIM — Director-General*



Vice Admiral Aikhomu in a chat with NIM's Engr. Oyeleye

MIN Cover Price to Increase

Owing to the rising cost of printing your favourite journal ***Management-In-Nigeria***, **its cover price will be minimally adjusted to ₦5.00. However, not now.**

We will compensate you for this in many ways than one. First, we are repackaging the Journal with more Management materials, news, pictures and features.

Secondly, we are mailing it right to your door at no extra cost at all inspite of increase in delivery cost and postage fees.

Three, we are pushing farther into reputable bookshops and airports shops but definitely not to street vendors.

I hope that makes you happy and that you will keep tuned. Please bear with us.

Our target date is January 1989.

ELECTION INTO NIM COUNCIL

At the 1988 Annual General Meeting of NIM, the following were elected into Council.

Chief R. F. Giwa, *MNIM*
Mrs M. R. A. Adeleke, *FNIM*
Professor Bayo Akerele, *MNIM*
Chief Folarin Coker, *FNIM*
Chief (Mrs) Uyi Taylor, *FNIM*
Surveyor A. Kukoyi, *FNIM*
Mrs Juliana Akanni, *MNIM*
Engineer T. O. Bawa-Allah, *MNIM*

Following the elections, the Council was reconstituted as follows:

COUNCIL OF NIM

President of NIM & Chairman of Council
Engr. Teju Oyeleye, *FNIM*

Past Chairmen
Dr. C. E. Abebe, *FNIM*
Dr. M. O. Omolayole, *FNIM*
Mr. G. O. Onosode, *FNIM*
Mr. F. O. Ogunlana, *FNIM*
Dr. C. O. Kolade, *FNIM*

First Vice President
Surveyor Adekunle Kukoyi, *FNIM*

(Continued on page 28)

ENGR. 'TEJU OYELEYE IS NIM'S CHAIRMAN OF COUNCIL

Engineer Olateju Oyeleye has been elected President of NIM and Chairman of the NIM Council. He succeeds Dr. Christopher Kolade, who steered the operations of NIM from 1986 to 1988.

A Radio and Electronic Engineer by profession, Engr. Oyeleye had a successful career with the Western Nigerian Broadcasting Service WNTV — WNBS which he joined in 1959, as a Senior Engineer and rose to the rank of General Manager in 1966, from where he later retired. He was the General Manager of Total Nigeria Limited from 1977 to 1984.

Engr. Oyeleye holds a B.Sc (Engineering) of the London University, which he obtained in 1957. He is a member of the Institute of Electronic and Radio Engineers, Fellow and a past President of the Nigerian Society of Engineers as well as a Fellow of NIM. He is also a Fellow of the Institute of Petroleum Engineers of Britain.

Engr. T. Oyeleye

Prior to his election to the Presidency, he has been the 1st Vice President of NIM Council. He became an NIM member in 1971, and was the 1st Chairman of Ibadan Branch of the Institute. He was also Chairman of the Membership Committee. He is currently the Executive Director (Subsidiaries) of Total Nigeria Limited.

As expected the new President of NIM has been interviewed about his hopes and aspirations for NIM. This will be published in the next issue of the journal. *Management-In-Nigeria* congratulates Engineer Oyeleye and wishes him a successful tenure of office.

Election into NIM Council *(Continued from page 27)*

Other Vice Presidents
Mr. Julius Adelusi-Adeluyi, *FNIM*
Chief Adepoju Akomolafe, *FNIM*
Alhaji Iya Farouk, *MNIM*
Mr. G. A. Ogbeide, *MNIM*

Treasurer
Mrs M. R. A. Adeleke, *FNIM*

MEMBERS

1. Engr. 'Teju Oyeleye, *FNIM*
2. Alhaji Abubakar N. Abdullahi, *MNIM*
3. Dr. C. E. Abebe, *FNIM*
4. Prof. B. K. Adadevoh, *FNIM*
5. Dr (Chief) Funso Adaramola, *MNIM*
6. Mr. Juli Adelusi-Adeluyi, *FNIM*
7. Mrs M. R. A. Adeleke, *FNIM*
8. Mr. A. A. Adenubi, *MNIM*
9. Mr. J. O. Adetayo, *MNIM*
10. Mrs J. A. Akanni, *MNIM*
11. Prof. Adebayo Akerele, *MNIM*
12. Chief Adepoju Akomolafe, *FNIM*
13. Engr. T. O. Bawa-Allah, *MNIM*
14. Chief Folarin Coker, *FNIM*
15. Alhaji Iya Farouk, *MNIM*
16. Chief R. F. Giwa, *MNIM*
17. Chief M. A. Ifaturoti, *FNIM*
18. Mr. Samuel Imasuen, *MNIM*
19. Dr. Christopher Kolade, *FNIM*
20. Chief (Mrs) D. B. A. Kuforiji-Olubi, *FNIM*
21. Surveyor Adekunle Kukoyi, *FNIM*
22. Mr. G. A. Ogbeide, *MNIM*
23. Mr. F. O. Ogunlana, *FNIM*
24. Alhaji Abayomi Ojikutu, *MNIM*
25. Dr. M. O. Omolayole, *FNIM*
26. Mr. G. O. Onosode, *FNIM*
27. Engr. F. A. O. Phillips, *FNIM*
28. Mrs C. I. Shittu, *MNIM*
29. Chief (Mrs) Uyi Taylor, *FNIM*
30. Alhaji Balarabe Ismaila, *MNIM*
31. Mr. M. O. Okereke, *MNIM*
32. Alhaji A. O. G. Otiti, *FNIM*
33. Col. John Shagaya, *MNIM*
34. Chief E. A. Silva, *FNIM*

Chief Executive—*P.Z. Industries Ltd.*

Chief Executive —*Jos International Breweries Ltd*

The Director-General as Secretary to Council

NIM misses Alli-Idowu

Mr. P. A. A. Alli-Idowu, a dedicated member of the Nigerian Institute of Management passed into transition on the 1st of October, 1988.

In his lifetime, Late Mr. Alli-Idowu, served as a member of the Education, Training, and Programmes Committee of NIM, for a period of seven years from 1981 until his death, and was elected a Fellow of NIM on 25th August, 1988, where he shared fellowship with the Chief of General Staff, Vice-Admiral Augustus Aikhomu.

A veteran police officer, he joined the force in 1950, and rose through the ranks to become an Assistant Inspector-General of Police before retiring in 1984.

An Accountant by profession, the Late Mr. Alli-Idowu won three commendations in 1953, 1954, and 1958, respectively, and also received several medals and honours including **Ordre De Mertite** (Mauritania 1974) and **Knight of St. Gregory** (1976). He served with the UNO Peace Keeping Force in Zaire.

His philantropic gestures saw many through the gates of Ahmadu Bello, UNN, UNILAG, OAU, UNIBEN, UNIBADAN and Federal Polytechnic, Yola.

Late Mr. Alli-Idowu was a member of several organisations including the Association for the Prevention of Cruelty Against Animals, of which he was the President until his last day.

COUNCIL APPOINTS ITS COMMITTEES

THE Council of NIM has reconstituted six of its committees for effective operations. They are the

Executive Committee of Council (EXCO)

Membership Committee

Education, Training & Programmes Committee (ET & PC)

Medals Awards Committee

Building Committee

and

Fund Raising Committee.

The statutory chairman of the EXCO is the President of NIM while Chief Folarin Coker heads the Membership Committee. It does seem that the education Training and Programmes Committee Chair has been reserved for Professor B. K. Adadevoh who has held that position for Four years. The Medals Award Committee is headed by Chief (Mrs) Kuforiji-Olubi as Engineer F. A. O. Phillips heads the Building Committee. Sir Mobolaji Bank-Anthony Chairs the Fund Raising Committee.

The list of the committees is published below.

EXECUTIVE COMMITTEE OF COUNCIL

1. Engr. 'Teju Oyeleye, FNIM—*Chairman*
2. Surv. Adekunle Kukoyi, FNIM —*(Ist Vice-President)*
3. Mrs M. R. A. Adeleke, FNIM —*Treasurer*
4. Chief (Dr.) Funso Adaramola, MNIM
5. Mr Julius Adelusi-Adeluyi,
6. Alhaji Iya Farouk, MNIM
7. Prof. B. K. Adadevoh, FNIM
8. Chief Folarin Coker, FNIM
9. Engr. F. A. O. Phillips, FNIM
10. The Director-General

Co-opted Chairmen of Committees).

MEMBERSHIP COMMITTEE

Chief Folarin Coker, FNIM—*Chairman*
Chief (Dr.) Funso Adaramola, MNIM
Mr. A. A. Adenubi, MNIM
Mrs J. A. Akanni, MNIM
Engr. T. O. Bawa-Allah, MNIM
Mr. Ikedi Mpamugo, MNIM
Mr. G. A. Ogbeide, MNIM
Alhaji Abayomi Ojikutu, MNIM
Mr. R. O. Orugbo, MNIM
Mr. O. O. Ositelu, AMNIM
Chief (Mrs) Uyi Taylor, FNIM

EDUCATION, TRAINING AND PROGRAMMES COMMITTEE

Prof. B. K. Adadevoh, FNIM—*Chairman*
Mr. A. A. Adenubi, MNIM
Chief A. B. Alabi, MNIM
Mr. H. I. Alile, MNIM
Chief M. O. Asielue, MNIM
Engr. T. O. Bawa-Allah, MNIM
Chief R. F. Giwa, MNIM
Alhaji Abayomi Ojikutu, MNIM
Mr. G. O. Onosode, FNIM
Dr. Tayo Fashoyin, MNIM
Group Captain B. Mosugo, MNIM
Mr. M. O. Okereke, MNIM
Mrs C. I. Shittu, MNIM
Chief (Mrs) Uyi Taylor, FNIM
Mr. R. A. Williams. MNIM
The Director-General, Fed. Min. of Establishments
The Director-General, Lagos State Min. of Establishments and Service Matters.
One representative from each of the following:
— Nigerian Army Training Corps
— Food Specialities (Nig.) Ltd.
— John Holt Limited
— Odu'a Group of Companies
— National Board for Technical Education
— National Institute For Policy and Strategic Studies
— The Director-General

MEDALS AWARD COMMITTEE

Chief (Mrs) D. B. A. Kuforiji-Olubi. FNIM—*Chairman*
Mr. F. O. Ogunlana, FNIM
Mr. G. O. Onosode, FNIM
Dr. Christopher Kolade, FNIM
The Director-General.

BUILDING COMMITTEE

Engr. F. A. O. Phillips, FNIM, —*Chairman*
Chief O. I. A. Akinyemi, FNIM
Dr. Ademola Banjo, FNIM
Chief Folarin Coker, FNIM
Dr. Christopher Kolade, FNIM
Chief (Mrs) D. B. A. Kuforiji-Olubi, FNIM

Building Committee

(Continued)

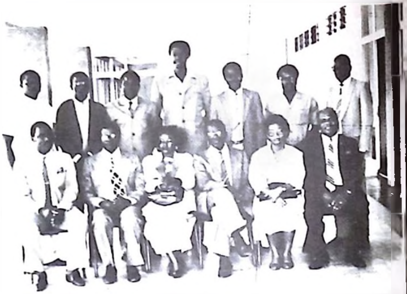
Surv. Adekunle Kukoyi, FNIM
Mr. Arthur C. I. Mbanefo, MNIM
Mr. F. O. Ogunlana, FNIM
Alhaji Abayomi Ojikutu, MNIM
Mr. G. O. Onosode, FNIM
Engr. 'Teju Oyeleye, FNIM
Mrs M. R. A. Adeleke, FNIM
Chief E. A. Silva, FNIM
One Architect and one Estate Manager to be invited by the Director-General to attend the Building Committee meetings from time to time for necessary advice.

FUND RAISING COMMITTEE

Sir Mobolaji Bank-Anthony, FNIM —*Chairman*
Dr. C. E. Abebe, FNIM
Chief O. I. A. Akinyemi, FNIM
Chief A. B. Alabi, FNIM
Chief S. O. Asabia, FNIM
Chief E. O. Ashamu, FNIM
Chief Folarin Coker, FNIM
Alhaji Baba Dan-Bappa, FNIM
Alhaji E. Edo-Osagie, MNIM
Chief A. S. Guobadia, FNIM
Chief Micheal Ibru
Dr. (Alhaji) Babatunde Jose, FNIM
Alhaji Sule Katagun
Chief (Mrs) D. B. A. Kuforiji-Olubi, FNIM
Chief A. O. Lawson, FNIM
Chief J. B. Mandilas, FNIM
Mr. F. O. Ogunlana, FNIM
Mr. M. O. Okereke, MNIM
Dr. M. O. Omolayole, FNIM
Mr. G. O. Onosode, FNIM
Mr. O. O. Oso, MNIM
Chief F. I. Owelle, FNIM
Mr. Alfred O. Rewane
Chief E. A. O. Shonekan, FNIM
Chief (Mrs) C. A. Tejuosho
Mr. Akintola Williams, FNIM
Dr. Christopher Kolade, FNIM
The Treasurer
All NIM Branch Chairmen
The Director-General.

TRAINING IN PIX

Sitting left to right: *K. R. Kareem, Sola Alonge (NIM), Shade Daodu, Bisi Otitoola*
Standing left to right: *V. A. Akibola, A. A. Igun, U. A. Okoroafor, Azu Okoye, K. C. Iheme*



Sitting left right *M. O. Adelaja, J. A. Asaolu, Mrs O. A. Dosunmu, B. A. Adebayo (NIM), Mrs N. O. Fubara-Manuel, M. O. Towolabi*
Standing left to right: *T. B. Lasisi, E. A. Fawehinmi, J. O. Ogundapo, J. A. Sode, D. A. Adeleke, A. G. Raphael, T. K. Aforjiku*

Sitting left to right. *K. U. Ogwo, I. Bature, Mrs T. O. Okpalele, Y. H. Sharagi, Mrs B. T. Babalola, A. O. Adedoyin (NIM), Mrs M. E. Olisah, B. Jolaoso (NIM), Ada Kalu (Miss), Alhaji I. M. Remawa, C. K. Jalo*
Standing left to right: *E. S. Koko, M. O. Ogunade, Mrs V. O. Adereti, S. O. Amuwo, P. C. Nkoro, J. A. Omotosho, O. U. Kalu, K. S. Maigida, F. N. C. Obasi, O. F. Akinyosoye, A. B. Fashola, L. A. Ajuesi, K. C. Achinivu, I. C. Obi (Miss), B. Oderinde, F. Nwabunie*

Sitting left to right: *Owanekun Tairu, B. Onyejekwe, A. O. Omojola, Mrs S. M. Ojikutu, K. A. Ibrabeem, R. A. Adesanya, O. Olulude, A. O. Sodia, Mrs O. Edun*
Standing left to right: *R. U. E. Okeke, J. Olayemi, K. K. Ndukwe, P. O. Ojo, E. T. Nkamta, A. Adetoye, C. Emenike, S. P. Emme, A. O. Ogundipe, O. O. Rabiu, B. A. Akinwunmi, G. Okporua, F. A. Ayodele, P. Okuntade, J. T. Obamuyi.*

Sitting left to right: *S. O. Aseere, S. O. O. Owopetu, B. A. Adebayo (NIM), Y. A. Bello, H. Yusufu*
Standing middle row left to right: *Charles Uyanwune, Adamu A. Othman, Abdulaziz O. Suberu, Braimah N. Shehu, Ileanyi D. Onyekwena*
Standing back row left to right: *C. J. Emoshene Ijatomi, Edozien D. C. C., R. A. F. Sanni, C. A. Paseda, Igna O. Inyama, Onwuzulike C. Okwelume.*

News from NIM Member Organisations and Others

ALLIED BANK COMPUTERISES ITS OPERATIONS

IN spite of the difficulties in the nation's economic activities. total deposits of Allied Bank increased fron ₦169 million to ₦477 million in 1987 compared to the figure of ₦308 million as at 31st December. 1986 Similarly, loans and advances increased by ₦34 3 million to reach a level of ₦266 6 million The gross earnings of the bank rose by 27 96% to ₦92 9 million compared to ₦72 6 million recorded in 1986 Total assets of the bank increased to ₦938 million as against ₦827 in 1986 The balance sheet total rose to 1 25 billion compared to ₦1 1 billion in 1986

The bank recorded a pre-tax profit of nearly ₦14 million for the year ended 31st December 1987 as against ₦12 million in December. 1986

The profit for the year after allowing for taxation and other orovisions in the account amounted to ₦8 3 million, a rise of 8 98% over 1986 The Board then recommended a dividend of ₦2 25 million which is equivalent to 15% of the paid up capital

In the bid to strengthen the capital base of the bank, the Board recommended the allotment of Bonus Shares to the extent of ₦5 million thus raising the paid-up capital to ₦20 million The shares will be issued in the ratio of 1 to 2 shares at present held by the shareholders.

To meet up with customer demands. the bank embarked on computerisation of all aspects of the banking operations Nine zonal computer centres at Port Harcourt, Kaduna. Jos. Kano. Calabar. Onitsha, Lagos, Minna and Benin City were established all over the country These serve as liaison offices connecting computer centres and other branches to Head Office The zonal computer centres like Lagos area branch process daily transactions using the On-Line method of processing data This innovation has immensely improved our customer service.

Seven urban branches and one rural branch were opened during the year under review. The branches are located at Apapa in Lagos State Akure in Ondo State. Zaria and Kaduna in Kaduna State. Markurdi in Benue State. Port Harcourt in Rivers State. Maiduguri in Borno State and Erīwang in Akwa Ibom State.

NIGERIAN TEXTILE MILLS INCREASES TURNOVER

DESPITE the unfavourable economic climate in Nigeria in 1986 the Nigerian Textile Mills Limited recorded an increased turnover of about 50% thus moving to ₦76 million The profit before tax increased from ₦4 418 million in 1986 to ₦8 664 million in 1987 It is a phenomenal increase of 96% The profit after tax increased from ₦3 735 million to ₦7 564 million representing an increase of more than 100% The Board consequently recommended a dividend on 3 kobo per share The achievement in this is that over the last few years. the company has not declared any dividend

In the area of personnel, it did not retrench any staff despite the economic difficulties Instead. it has continued its programme of meaningful Nigerianisation In that regard, out of its labour force of 2.408. only 2 are non-Nigerians. The company attributed the success of the Textile Mills Nigeria Limited in 1987 to the undisputable leadership qualities of Mr Oludotun A Ilo, the Managing Director and the entire staff

BERGER PAINTS DOUBLES TURNOVER

IN spite of the competitiveness of the paints market and the fall in effective demand for industrial and automotive paints. Berger achieved significant improvement in turnover which increased from ₦24 74m in 1986 to ₦45 72m in 1987 Similarly. the company streamlined its operation to save costs without jeopardising quality. while substantially increasing profits generated from ₦2 177m in 1986 to ₦10 115m in 1987

The net profit for the year after adequate provision for taxation is N6 068m The directors recommended payment of a dividend of ₦3 024m or 14 Kobo per share. The dividend represents 50% of profit after tax and is in accordance with the government's income guidelines

Guinness Celebrates Silver Jubilee

SINCE Guinness established its brewery in Nigeria in 1962. it has since made tremendous progress in expanding into beer brewering It brews Merit beer which is brewed 100% from maize. In fact Guinness is the first company to source its brewery 100% internally In addition to this, Guinness has two well-known eye hospitals in Kaduna and Onitsha and it is currently helping the Lagos University Teaching Hospital to establish another

In 1987 alone Guinness made an after-taxation-profit of over 28 million naira representing a decline of less than 5 million naira over the 1986 income. However, its assets increased from 193 94 to 207 76 million naira over the same period representing 6.61%.

Consequently. the shareholders got 6 51k per share as dividend for 1987

·COOPERATIVE BANK PROFIT FALLS

THE harsh and uncertain situation in the economic scenario of Nigeria affected the Co-operative Bank which is a subsidiary of Co-op Investment and Trust Society Ltd., in 1987. Consequently, its net profit fell from N2,288,000 in 1986 to N2,039,000 in 1987.

However, it recorded some significant progress in expansion with the opening of new branches at Apapa and Ikeja (Lagos State), Oshogbo, and Ogbomosho in Oyo State and Ode-Remo in Ogun State. In addition, it completed its Ikare Branch permanent building during the same period. With these expansions, it has established a good foundation for sustained growth and volume of operations in the years ahead.

One of its major achievements during the year was the financing of cocoa export by the ANCE (Association of Nigerian Co-operative Exporters).

In line with Government's rural banking guidelines, it has obtained Central Bank approval to open a branch in Ipele (Ondo State) while applications have been submitted to open branches in Oyo Town, Iseyin, Ede and Iwo in Oyo State; Okitipupa, Ikole, Efon Alaye, Iddo, Ijero and Ikere in Ondo State plus Shagamu and Ijebu-Igbo in Ogun State.

Congratulations to Mr. Olajide Olupitan who is the current General Manager of the Co-Op Investment and Trust Society Limited and the bank. More greese to your elbow.

YOU SHOULD BE READING MANAGEMENT IN NIGERIA

PUBLIC NEWS

GOVERNMENT SETS UP BRAIN DRAIN COMMITTEE

CONCERNED with the alarming manpower flight from the country, the Nigerian Federal Military Government has set up a nine-man Presidential Committee to study the problems of brain drain in Nigeria within three months with the sole purpose of identifying the causes and adverse effects of brain drain on the Nigerian economy and to recommend short and long term prescriptions for the national problem. The following are members of the Brain Drain Committee:

(i) Professor O. Ibadapo-Obe (Engr.)—*Chairman*

(ii) Professor O. Falase (Medical Scientist)—*Member*

(iii) Professor Awale Maduamesia (Scientist) —*Member*

(iv) Prof. Segun Adesina (Educationist) —*Member*

(v) Prof. A. Onokerhoraye (Social Scientist) —*Member*

(vii) Ife Akintunde (Engineer) —*Member*

(viii) Dr. M. M. Tukur (Historian) —*Member*

General Ibrahim Badamasi Babangida, C.F.R. fss, mni, *President, Commander-in-Chief of the Armed Forces, Federal Republic of Nigeria*

(ix) Dr. Abubakar Gwandu—Secretary to the Panel.

The report is expected to be submitted towards the middle of January, 1989.

It is now common knowledge that our hospitals, particularly the teaching hospitals have lost most of their doctors, nurses, and other paramedical staff to Saudi Arabia which pays more than 100 times the celebrated elongated US$. Please note that it is not 100%.

Strategies for New Wages Negotiation with Industrial Unions

(Continued from page 20)

housing. The only disadvantage here is that apart from having one agreement on fringe benefits which could be renegotiated at intervals of two to three years, employers would have a series of agreements which would expire at different dates. This would not be a tidy approach and could create unnecessary opportunities for yearly negotiations.

Having examined all the four options, Employers Associations and the Unions should be in the best position to adopt one which they regard as most feasible. On balance, it would appear that the Cash Benefit option which has been adopted by some Trade Groups should be preferable. It is, however, expected that this deviation from normal practice will not become a permanent feature of our industrial relations practice but will be regarded as a temporary solution which was designed to address an unusual situation created by governmental measures.

EFIONG OKODI UKO is company Industrial Relations Manager UAC of Nigeria Limited

N.P.A. FRANCHISES WITH THE PRESS

THE Nigerian Ports Authority arranged a two-day Workshop for Maritime Journalists on the 20th and 21st of September, 1988 in Ethiope and Ogun Suites of the Federal Palace Hotel (New Wing), Victoria Island, Lagos.

The Workshop concerned topics like "Organisation and Management of Sea Ports in Nigeria", "Appreciation and Interpretation of Ports Statistics", "Reporting Port Operations", "A Balanced Approach", "Technicalities of Ports' Operations" and the "Economics of Ports Operations" The NPA Experience"

The Workshop was coordinated by Development and Management Consultants Ltd., led by Dr. Omotosho Ogunniyi and assisted by Professor Onuora E. Nwuneli, Mr. A. A. Aiyeola, (Chief Work Study and Productivity Officer, NPA); Mr. G. O. Osoba, Chief Statistician; Alhaji M. Muse, (Traffic Manager, HQ NPA), and Mr. R. S. Anah, (Assistant Director, Commerce and Development, NPA).

It was opened by Dr. Kalu Idika Kalu, Hon. Minister of Transport. It is important in this report to note that this is a welcome development not only in the management of our maritime activities but in the management of public organisations which must compel itself to inform the public through the press of its activities.

One aspect that was not left out was a tour of the Container Terminal, Bonded Warehouse, Control Tower and Roro Terminal. It is noted that the workshop is the first of its kind in Nigeria for journalists.

The Workshop revisited the role of the NPA in the dumping of the toxic waste in Koko and the fact that the Nigerian Ports Police Command has been restored. What gives NPA self-pride mainly is that it is self-sustaining relying on no-government subvention and that it will increase its income with the commercialisation of the activities of NPA.

It is hoped that with the increase in income, NPA will tighten up securities at the Ports so that importers can stop losing a lot of their goods so that insurance compensations can be reduced to the minimum.

One of the most commendable things is that all members of the operating management including the Managing Director were at the two-day workshop to inform, educate and clarify issues relating to ports operations, security, control, finance and economics and the role of the NPA in the Nigerian economy and their inter relatedness.

Major General A. Shelleng (rtd.)

Looking at the importance of NPA in the Nigerian economy, its national spread, staff strength and role assigned to it by the nation, one is bound to wonder why the public relations activities have not been upgraded to a directorate. The solace is that the issue is already on the drawing board of NPA Management.

Federal Cabinet Reshuffle

NINE new Military Governors have been appointed to nine states in the federation while some Governors have been reassigned. The list of the current state Governors is published hereunder.

States	*Governors*
Akwa Ibom	Col. Godwin Abbe
Anambra	Col. Robert Akonobi
Bauchi	Col. Joshua Madaki
Bendel	Col. Tunde Ogbeha
Benue	Lt. Col. Fidelis A. Makka
Borno	Lt. Col. Abduwan A. Mohammed
Cross River	Commander Ibim Princewill
Gongola	Wing Commander A. Isa Mohammed
Imo	Commander Amadi Ikwechegh
Kaduna	Col. A. S. Mukhtar
Kano	Col. Idris Garba
Katsina	Col. Lawrence A. Onoja
Kwara	Group Capt. Alkali
Lagos	Col. Raji Rasaki
Niger	Lt. Col. Lawan Gwadabe
Ogun	Navy Capt. M. A. Lawal
Ondo	Navy Capt. Bode George
Oyo	Col. S. Oresanya
Plateau	Lt. Col. A. Karma
Rivers	Group Capt. E. O. Adeleye
Sokoto	Col. A. M. Daku

THE WORKMEN'S COMPENSATION DECREE NO. 17 OF 1987 —A Review

THE usual explanatory notes in respect of this Decree stated that it was a re-enactment of the Workmen's Compensation Act [1] which makes provisions to extend the coverage of the Act to benefit many more workers. It was also claimed that the Decree removed the difficulties and delays inherent in the administration of the previous Act. These, in the opinion of the reviewer were the mischief which the Decree was meant to cure. It follows then that a review of the Decree will have to assess how far it is likely to achieve the two main objectives, namely, to widen the scope of the Act to cover more workers and to remove some administrative bottlenecks in the implementation of the law. It goes without saying that legislation often lags behind the events that generate it which, in this case, are developments in industrial and labour relations. This was perhaps the reason for the frequent revision of the Act. The preamble to the 1942 edition of the Act [2] stated that the aim of the Act was to provide for the payment of compensation to workmen for injuries suffered in the course of their employment. However, Decree No. 17 of 1987 made no such provisions although they are implied. In England, from where the Nigerian compensation Act was imported, workmen's compensation Act was not enacted until 1897 whereby employers were made liable for accident to their employees arising in the ordinary course of their employment, whether or not such injury was as a result of employer's negligence.

This unqualified liability of the employer for injuries to his employee was not part of the 1897 Act until 1906. The unqualified liability was probably at the back of the mind of Ayoola, J. When he declared in Caxton Press (Nig.) Ltd. V. Jacob Adeshina[3] that a claim under the Workmen's Compensation Act created in Flatu a statutory right coupled with a statutory remedy. Although the statement was made obiter it remained to be seen whether subsequent decisions of courts took the view that liability under the Act was a strict one as the learned judge's statement seemed to suggest.

In fact S.5 (3) and (4) of the Act[4] expressly stated that no claim would be entertained if (1) it was shown that the injury arose from deliberate self-injury (2) the claimant has misrepresented the state of his health to his employer. Before the enactment of the Employers' liability Act of 1980 in England, the only liability which the employer owed to his employee at common law was that he should not cause injury to his employee. The 1880 Act provided that the employer was liable to injury sustained by the employee in the course of his employment, but even so, the employer could plead negligence on the part of the employee. Such a plea could result to non-payment of claim or to a reduction of it. Also in England, employers' liability for industrial injury to employees has been replaced with the National Insurance Scheme established by an Act of Parliament in 1946. The main thrust of this review is to find out the good attributes which the 1987 Decree has which the Act did not have. One of the criticisms of the Act was that it segregated workmen who could claim under the Act and those who could not. In other words, the Act excluded workers in the high income brackets from receiving compensation under the Act. It is felt that all categories of staff should be protected in case of industrial injury. Section 2 of the Act defined "Workman" as any person who has, either before or after the commencement of the Act, entered into or is working under a contract of service (which expression shall be deemed to include service as a tributor) or apprenticeship with an employer whether by way of manual labour, clerical work, or otherwise, and whether the contract is express or implied, is oral or in writing: provided that the following persons are exempted from the definition of "Workman":

(a) a person employed otherwise than by way of manual labour whose earnings exceed eight hundred pounds (₦1,600) a year or

(b) a person who is employed otherwise than for the purposes of the employer's trade, or business, not being a person employed for the purposes of any game or recreation and is engaged or paid through a club; or

(c) an outworker; or

(d) a member of the employer's family dwelling in his house, or

(e) a person employed in agricultural or handicraft work by an employer who normally employs less than ten workmen; or

(f) any class of persons whom the President, by order, declares not to be workmen for the purposes of this Act.

The 1987 Decree adopted the definition of the Act and removed the ceiling on the income of those who can benefit from the Decree whether or not they earn their living by manual labour. By this provision, the Decree has achieved one of its objectives, namely, to extend the coverage of people to benefit from the Decree. It has also removed the dichotomy between people who earn more or less than ₦1,600 per annum whether or not they are labourers.

The Decree even did more by vesting in the Minister of Labour discretionary powers to include or exempt some people from claiming under S.1 (2) (a) of the Decree thereby introducing some measure of flexibility into eligibility to make claims. But one startling thing is the retension of S.5 (2) of the Act as S.3 (3) of the Decree. Section 3 (3) of the Decree provides this "For the purposes of this Decree, an accident resulting in the death or serious and permanent incapacity of a workman shall be deemed to arise out of and in the course of his employment notwithstanding that the workman was at the time when the accident happened acting in contravention (a) of any statutory or other regulation applicable to the employment, or *(b)* or any orders given by or on behalf of his employer; or (c) that he was acting without instruction from his employer, if such act was done by the workman for the purposes of and in connection with his employer's trade or business. This provision has also rendered nugatary the provision that a workman should not be entitled to compensation unless the accident leading to the injury happened out of and in the course of employment[5] since S.3 (3) is wider than this provision.

The Act received a lot of trimming in many other areas. For example, while under S.4 of the Act most civil servants were virtually excluded as workmen as defined in the Act; S.2 (i) of the Decree provides that the Decree shall apply to any workman employed in the public service of the Federation or of any state thereof[6] or the Nigerian police force in the same way and to the same extent as if the employer were a private person. This section has thus brought in as workmen, not only the whole civil servants in the ministries but also workers in parastatals who are generally referred to as public servants. The workman's compensation Act has therefore ceased to be an exclusive preserve for the people in the organised private sector. This is also one area in which the Decree extended the coverage of the Act in accordance with its objectives. The Decree has however excluded foreigners who are in the public service of the Federation or states thereof. Again, while S.5 (1) of the Act makes an employer liable for payment of compensation when the injury incapacitates a workman for a period of at least five consecutive days; the employer shall not under the Decree be liable unless the injury has incapacitated the workman for three consecutive days. The provision in S.9(i) in respect of compensation in the case of temporal, incapacity, was an improvement upon the similar provisions of the Act in that it did not tie the compensation to any definite amount of money, as was the case in the Act.[7] This is so because changes in Law do not take place as often as changes in the value of money.

Employer's Liability for compensation for death or incapacity.

Both the Act[8] and the Decree[9] provide that the employer will be liable for payment of compensation to the worker for injury by accident arising out of and in the course of employment. These provisions are crucial to the whole idea of workmen's compensation but have, unfortunately, made liability uncertain bearing in mind some decided cases. First, arguments have been adduced to show that accident and injury were different things. It was contended that injury arose, or could arise, as a culminating point of a process[10a] of harmful events or conditions whereas accident has suddenness as its main characteristic. Was the gas leakage in Bompai, India, which claimed the lives of many people a harm that arose from accident or injury? The English Court of appeal left the differentiation between injury and accident to the Medical Appeal tribunal. The 1987 Decree should have worded this part of the law in such a way as to remove all doubts and or ambiquity. Equally disturbing is section 5 (3) and (4) of the Act which was retained in the new Decree as S.3 (4) and (5). Section 3 (4) of the Decree provides that no compensation shall be payable under the Decree in respect of any incapacity or death resulting from a deliberate self-injury while subsection 5 provides that no compensation shall be payable under the Decree in respect of any incapacity or death if the workman has at any time represented to the employer that he was not suffering or has not previously suffered from that or a similar injury, knowing that the representation was false. For one thing, the two subsections have shown statutorily that Ayoola's obiter in Caxton Press (Nig.) Ltd. V Adesina is not a sustainable argument, namely, that the employer's liability creates in flatu a statutory right coupled with a statutory remedy since it is open to the employer to put up a defence that a claim is founded on either of the above two subsections or that the injury was not one that was sustained in the course or out of employment. For another reason it takes a lunatic to embark upon "deliberate self-injury" in order to claim. Although Taylor, C. J., used S.5.(3) of the Act to dismiss a claim in Ogunnusi V Lagos City Council Care-Taker Committee, it does not take much thinking to realise that in Lagos, which was the locus in quo, it is not bizarre for a bus conductor to enter a bus while it is in motion. In the case of S.5 (4) of the Act, it is difficult for one to understand the relevance of genuine representation of the disease which the workman has suffered or is suffering from when the claim is based on injury caused by accident. It is very doubtful if the Act contemplates death or injury caused by disease since injury caused by the process of disease is undefferentiated from sudden accident in the Act. One thing that is not evident on reading the subsection is whether the workman is bound to disclose that he is suffering from a particular illness even where he is not specifically asked to make a disclosure about the particular disease, assuming that such is not included in the "prescribed diseases" as defined in S.34 of the Act. Against the background of the court decisions made under S.5 (2) of the Act or S.3 (3) of the Decree, both of which provide that claims shall be entertained only when the injury by accident arises in the course and out of employment, one feels very much concerned. From RV Deputy Industrial Injuries Commissioner,[10b] it is clear that the accident must arise in the course of or out of the employment. Both conditions are therefore substitutional and not cumulative. The facts of the case, in a nutshell, were that a workman went out of his work place to smoke during a tea break and overstayed the break by five minutes. During the extra five minutes he spent outside, the workman was injured by a forklift truck. He claimed for industrial injury on the ground that he suffered injury arising out of and in the course of employment. His claim was rejected by the Industrial Commissioner on the ground that the accident did not arise *in the course* of his employment. The court of Appeal allowed his appeal on the ground that the injury arose from an accident which happened in the course of his employment. Again, in U.A.C. (Nig.) Ltd., v Joseph Orekyen[11], an employee of the company was placed in charge of a petrol station where a stranger came asking one of the petrol attendants for a change with £1 note. The stranger was told that there was no change. But he would not take it and so started to fight one of the station attendants. In the course of separating the stranger and his colleague, the respondent sustained an injury which rendered one of his eyes blind. The injured man successfully claimed for industrial injury against his employers in a Magistrate's Court. On appeal to the High Court, it was held that the injured man should claim because his duty as the officer in charge of the petrol station included the maintenance of order and so the injury was sustained out of and in the course of his employment. It seems, with the greatest respect, that the court of Appeal strained the meaning of words in coming to their conclusion in the case of RV Deputy Industrial Injuries commissioner. Smoking has no reasonable nexus with the job of the workman. The decision in Orekyen case was sound since the maintenance of law and order was incidental to the respondents' job as the man in charge of petrol station. It is the opinion of the reviewer that the 1987 Decree would have come out with a provision that will not give room for wide construction as in the two cases. The legislator would have provided that a workman is deemed to be in the course of his employment right from the time he steps out of his house to the closing time or the duration of overtime or otherwise engaged in anything incidental to his job after the close of the working time. The legislator should also have inserted in the 1987 Decree a provision to the effect that no claim should be allowed after the working hours unless the period of work is extended, provided that, in all circumstances, what the workman is doing is incidental to his employment.[12]

Compensation

In most of the provisions under this heading, the Decree avoided mentioning specific amount of money but based all calculations on the amount of the workman's salary just before he died or before the injury. This is a wise development but the question of paying different compensations to the workman's dependants depending on whether such dependants depend on the deceased wholly or partly seems to be unjustifiable. The Decree appears to have left the Rules for claims to the courts to determine in contrast to the Act which spelt out the Rules, including rules for the service of process. This is a welcome development especially now that Government has announced that common rules of court should be enacted for the whole country. Decree No. 17, of 1987, otherwise called workmen's Compensation Decree did a lot to up date the law especially as regards widening its scope of applicability. There are still some streaks of bureaucracy here and there to frustrate claimants. We all know how urgently a person incapacitated by accident, or those who have lost their breadwinner need assistance. The fact that Government did not create a special tribunal to deal with cases arising from the Decree nor provided that matters relating to the Decree be referred to the Industrial Arbitration Tribunal or to the National Industrial Court shows that the beneficiaries under the Workmen's compensation Decree still have a long way to go. Our regular courts are congested and the procedure tortuous. It takes one stroke of the pen to dismiss or fire a workman from his job but it may take an age to pay his benefits. The 1987 workmen's compensation Decree is just one out of many steps forward taken and to be taken by Government to secure and enhance high morale, security and productivity within our national labour force.

References

1. Emiola Akintunde, Nigerian Labour Law, 2nd Edition
2. Federal Republic of Nigeria Official (Extraordinary) Gazette vol. 74 No. 34, June, 1987
3. Hanson J. L., A Dictionary of Economics and Commerce
4. Burke John, Osborn's Concise

(Continued on page 42)

MANAGEMENT QUOTES

Carrot Concepts Won't Work

We must also look at the whole area of motivation. What we have to accept is that people cannot be motivated today through conventional "carrot" concepts. What we have to accept is that they are already motivated, and it is our job to create an organisational climate in which they can fully develop their abilities and satisfy their own needs while achieving the goals of the organisation —and to do this we must begin to understand the behaviour of high-achieving managers.

We must, in short, begin to behave like managers.

CLEMENT LIVINGSTON

Learn Through Mistakes

As we try to learn how to transplant Western technology to Nigerian setting, we will invariably make mistakes. To learn how to do this, or learn anything at all, we will make mistakes. The mistakes either about ourselves or others. The big danger is that we could get locked into our negative feelings and consequently decrease our effective[illegible] as HRD specialists and also prevent us fr[illegible]apping a rich source of learning our experience.

I am a firm believer in the principle that our most important tool for learning is what we already know. What you already know is your own experience.

EUGENE MORAN

MIGRAINE

BY DR. O. P. BINITIE

THIS word means different things to many people but sufferers of this special type of headache know the kind of misery they go through everytime it visits them.

What then is migraine?

The word Migraine is a 14th century word that describes a pain that affects only one half of the head or face and is usually accompanied by a feeling of nausea or wanting to vomit. Sometimes it may affect both sides of the head or the face. An attack may last a few minutes or may drag into hours or occasionally over a day or two. It tends to occur at intervals and may be triggered by certain events. It usually starts in the early morning hours or day time and reaches a peak half an hour later and can be terminated by sleep although the headache prevents sleep.

How can I tell that I have Migraine?

Many migraine sufferers get "early warning signal" called "aura" of an approaching attack. They usually feel an upsurge of energy and cheerfulness before an attack. Some feel very hungry while others suffer mounting tension, depression and irritability. Some have a burst of intellectual power and are able to solve intricate problems in planning and decision making. These signs may occur hours or even days before migraine strikes. A list of warning signs is given, although it is not exhaustive: visual disturbances like double vision, partial blindness, sensitivity to dazling display of coloured lights, spots or lines; dizziness; hallucinations; nausea; vomiting; numbness; tingling sensations and sensitivity to noise or light.

Then the attack of migraine comes with varying intensity. It can be a dull headache or a piercing throb or the feeling of a train, steam-rolling through the head. In other sufferers severe nausea or vomiting can be just as prostrating as the pain. These afflictions are made worse by over sensitivity to light and sound.

Things that can provoke a migraine attack

This list is not exhaustive but will help. Anxiety, worry, shock, excitement, depression are some of the psychological factors that can trigger an attack. Menstruation, over-exertion, physical or mental fatigue, straining and lifting heavy weight or constipation, change of routine or travel are some physical factors that can start an attack; so can a change of climate or weather, bright sunlight, artificial light or television or intense smells.

Dietary causes will include alcohol, certain foods like, cheese, pastry, chocolate, fried foods. Irregular eating of meals, dieting and fasting also can start an attack.

What exactly occurs in the brain in an attack of migraine?

There is narrowing of the blood vessels that carry blood to the brain at the start of the visual disturbances and during the headache stage these small blood vessels expand and allow an upsurge of blood to flow to the brain. It is now known that a substance in the body called "amines", and are very common in the brain, are responsible for the change in the size of the blood vessels in the brain. These amines also are found in foods and so are broken down in the body by chemical substances called enzymes. During an attack of migraine it seems that the "amine breakdown factory" shuts down or is performing below normal and starts off the train of events that take place in a migrainous attack.

Who can get migraine

Anybody can get migraine although it is more common in women than men. It is not infectious. It tends to run in families and can be inherited. Children too get migraine, although they go unrecognised by parents. Watch out for children who complain of headaches and have upset tummy and suffer travel sickness is cars and buses. Luckily children tend to grow out of their migraine attacks with years.

Migraine is said to be common in go-getters, high achievers, ambitious or perfectionist type of persons who bottle up frustration. It was thought to be associated with highly intelligent people; recent studies have shown that it affects all kinds of people. The reason why more cases were recorded among intelligent people was because they were bright enough to seek medical treatment! Famous sufferers of migraine abound throughout history, Julius Caesar, Joan of Arc, Woodrow Wilson; Peter the Great of Russia and George Bernard Shaw. So take heart you are in the company of the great ones!

Treatment is available

Help is only available to those who know that they suffer from migraine and seek help in the right places. Armed with all that you have read so far, you will be in a position to know if that disturbing headache of yours is migraine or not. Your doctor will need to know when it first started and whether any of your relations have had such a headache before. You will need to tell your doctor if any particular activity, eating or drinking habits set off the migraine. Your doctor will usually give you a thorough medical examination and ask you to do some laboratory tests to ensure that your headache is not due to something more sinister.

Treatment is directed at *(i)* the "aura" or period before the full blown attack starts *(ii)* during the attack *(iii)* future attacks.

Treatment of an acute attack

Do not wait till you are incapacitated, always keep your prescribed drugs handy wherever you go. Once you get wind of an imminent attack, take the medicine, which should relieve the headache within an hour or two in most cases. Until the drug begins to work rest or lie down in a darkened, quiet room for at least 2 hours without food or drink. Pressure on the artery on the side of the head where the pain is greatest also helps, so do ice packs or cold showers on the head. If the oral tablet as well as rest do not relieve the attack either because of vomiting or severity of the migraine, an injection given by your doctor may be needed. Do not suffer in silence, consult your doctor as soon as possible.

1. Treatment during the aura or aborting an attack

First identify your own particular cycle of migraine and know the early warning signs. Keep a diary of the period of the months or week and note the time of the day and the intensity of the attacks. Note early warning symptoms in the previous 24 hours and anything else that appears relevant.

When you feel an attack coming, you should stop all activities and retreat into bed in a dark and quite room. Simple effervescent aspirin or paracetamol are superior to ordinary headache tablets because they are better absorbed. Tablets to control vomiting are also helpful.

Prevention or reduction of future attacks

You will need medical guidance combined with a life style that minimises "trigger factors".

Although migraine virtually never causes death it does kill joy and leaves misery around you. So do not be a martyr, seek help as soon as possible.

Dr O P Binitie is of the Department of Surgery, Faculty of Medical Sciences University of Jos

FMG Political Transitional Programme

SCHEDULES

Schedule 1 Programme For 1987

3rd Quarter —1987

Establishment of the Directorate of Social Mobilisation

Establishment of a National Electoral Commission

Establishment of a Constitution Drafting Committee

4th Quarter —1987

Elections into the Local Governments on Non-Party Basis

Schedule 2 —Programme for 1988

1st Quarter —1988

Establishment of National Population Commission

Establishment of Code of Conduct Bureau

Establishment of Code of Conduct Tribunal

Establishment of Constituent Assembly

Inauguration of National Revenue Mobilisation Commission

2nd Quarter —1988

Termination of Structural Adjustment Programme (SAP)

3rd Quarter —1988

Consolidation of gains of Structural Adjustment Programme (SAP)

4th Quarter —1988

Consolidation of gains of Structural Adjustment Programme (SAP)

Schedule 3 —Programme for 1989

1st Quarter —1989

Promulgation of a New Constitution

Release of New Fiscal Arrangements

2nd Quarter —1989

Lift of ban on Party Politics

3rd Quarter —1989

Announcement of two recognised and registered political parties

4th Quarter —1989

Election into Local Governments on Political Party Basis

Schedule 4 —Programme for 1990

1st & 2nd Quarters —1990

Election into State legislatures and State Executives

3rd Quarter —1990

Convening of State Legislatures

4th Quarter —1990

Swearing-in of State Executives

Schedule 5 —Programme for 1991

1st Quarter —1991 Census

2nd Quarter — 1991 Census

3rd Quarter —1991 Census

4th Quarter —1991 Local Government Elections

Schedule 6 —Programme for 1992

1st & 2nd Quarters —1992

Elections into Federal Legislatures and convening of National Assembly

3rd & 4th Quarters —1992

Presidential Election

Swearing-in of new president and final disengagement by the Armed Forces

NIM MEMBERSHIP INCREASES BY 576

MEMBERSHIP of the Nigerian Institute of Management rose by 576 during the first half of 1988. The Institute's Membership Committee, elected that number into the various grades as follows: Full Members 53, Associates 374, Graduates 96 and Affiliates 53.

In addition, 122 existing members were upgraded from lower to higher grades. See full details of elections and upgradings below:

MEMBERSHIP ELECTIONS/UPGRADINGS

ELECTED FULL MEMBERS

Aboki, A
Adegoke, S O
Gimba, A
Lapai, A A
Mohammed, A K
Nweze, E C
Okwechime, N M C
Olayeye, O
Olusanya, G O (Prof.)
Olabimtan, A (Prof.)
Abiodun, M O (Dr.)
Adaramoye, V M
Ashaolu, A O (Dr.)
Ferreira, A A J (Lt. Col.)
Gilbert, J O
Kaguna, M H
Zannam, U M
[illegible] A P
Abubakar, A
Adebite, P O
Adeyemo, J A
Aliyu, M
Aniorin, A O
Asore, J B E
Awosika, E Y Dr (Engr.)
Ayeni, B O
Ba[illegible] S I
Dampwaran, J
Ekeeme, R Dr (Mrs)
E[illegible] K (Dr.)
Etea[illegible] C O (Dr.)
Francis-Hart, B
[illegible] M K A
[illegible] O B
Makinde, J A (Engr.)
Makoju, E I
Obi, C I R (Mrs)
Okkutu, A K
Olanipekun, J B.
Sanyaolu, I O.
Sulaiman, U A
Uche, I K.
Adesanya, S O
Alabede, T S
[illegible] S
[illegible] Z
[illegible] J O (Dr.)
Jima, L
Mikailu, A R

Members Contd

Nwabeke, R A
Okuboyejo, O B (Chief)
Osinibi, D A

ELECTED ASSOCIATES

Abubakar, H
Adeoye, T D
Adeyemi, Y
Adu, A A V (Mrs)
Agbelusi, A S
Agubata, C N
Aina, S A O
Ajayi, E O
Akano, B G
Amusu, M K A
Anyanwu, F A
Aregbesola, F S
Aremu, J A
Arieshere, M (Miss)
Ayerume, D A
Bala, B
Briggs, A C T
Bubakari, M
Chukwurah, E C
Dada, J O
Dantata, M A
Ebenuwa, E N (Miss)
Ede, I C
Esemudje, A O N
Ezeokafor, C R
Fowowe, O A
Hayab, K N
Ijir, M K
Ilesanmi, B S.
Ilozue, O L
Ishuwa, A T S.
Kalu, O K
Kolarnaisa, U A
Lagoke, O M
Magini, M O
Makinde, O A
Mamuda, H G
Muoghalu, C A O (Lt. Col.)
Nduka, O E
Nwaozuzu, S C
Nwokedi, S S M
Nwokocha, C P
Obobo, W A
Oboho, A O (Mrs)
Odigie, D O
Ogunni, I O

Associates Contd.

Ogunade, E A (Mrs)
Ogunbanjo, T M (Mrs)
Ogunbunmi, R B
Okehieiem, K N
Okereke, S E
Olakanmi, O K
Olugu, U A
Olusunmade, A
Onwuzolum, E C
Onyeagocha, S U O
Oyeniran, P A
Tissing, S
Oyetunji, E O
Ughamadu, C O
Umana, E A
Usman, H B
Uzuegbunam, C O
Akpaida, J M
Anum, J A
Ekanem, E E (Mrs)
Ewumi, E O
Golo, S O
Gwary, L T (Mrs)
Iheukumere, J M (Mrs)
Adeniji, A
Ademo, E A
Adesokan, A D
Agbim, C M
Ageh, F
Ahmed, I.
Airhiavbere, E C (Capt.)
Ajayi, B A (Dr.)
Akanya, A F
Antia, E O
Aregbesola, R A
Arojojoye, E O
Awe, O A
Awodola, O O.
Baiyewu, F A A
Bassey, E J
Bolarinwa, J O
Dewan, P N
Eduok, V B A (Mrs)
Egbunu, D D
Elekwe, A C
Esan, J E
Ezerie, O G
Fagbamila, E A O
Ibiyemi, A O
Iko, I I

Associates Contd.

Iloanoie, B N E
Io[illegible] K K
Jones, A O
Kanu, C (Dr.)
Ladele, M A O (Rev. Dr.)
Lawal, G M
Nwaozuru, U N
Obikunle, O O
Odum, C E
Odiagbe, J M
Ogunsanwo, G A
Okinlola, S O
Omoruyi, A
Oni, O C
Onwukwe, O S S
Orekoya, R O
Osarenkhoe, I U S
Otaru, A A O.
Owoade, A A
Oyeleye, G A
Oyelola, A O
Sade, B O
Osezuah, A
Bana, M M
Ahua, S A
Dawal-Nghaha, S S R D
Oredein, S A
Adisa, M O
Akinde, T A
Anaedozie, P U
Anyia, B A (Mrs)
Enekwechi, C O
Fayokun, T (Mrs)
Ikujeyisi, R S.
Jallo, A A D
Moses, O.
Abache, M S E
Abdullahi, A M
Abikoye, B A
Abu, A O
Adah, N C
Adamu, S A
Adebayo, O
Adegeye, A
Adegoke, N A
Adeeko, B L
Adegbosin, S K O
Adekwu, I O
Adeleye, J A
Aderogba, C

Associates Contd.

Adesanya, M O
Adeyinju, A O
Agheyisi, O S
Agom, M M
Aguh, E
Ahobi, S S
Aisueni, N O (Dr.)
Aisueni, C I (Mrs)
Ajayi, P A
Akadri, I O I
Akingbule, A A
Akinteye, O O
Akinwale, S O
Akpuru, O
Alabi, B A L
Alabi, C O
Ale, O L
Aliyu, Y
Alua, K C
Ambo, J A
Ameh, J A
Amin, J D (Dr.)
Amusan, K A
Amusan, M B (Mrs)
Anaba, E A
Anate, Z A
Anosike, H U
Anumudu, S I
Aofolaju, O A
Anyadioha, M I
Argungu, S N
Aruwajoye, O
Asama, E B
Ashaolu, J O
Ayeni, O A (Miss)
Babarinde, S B
Babarinsa, O O
Babayemi, O O
Bello, I A
Boboye, G O (Mrs)
Charlie, M U
Chukwuemeka, N K
Darabidan, J F
Davies, O B
Delano, O O
Duru-Onweni, J I (Dr.)
Eboh, C Y (Dr.)
Ebong, E A J
Eburuche, E S
Edu, O A
E[illegible] A S

Associates Contd.

Egwame, J. K
Ejim, C. D
Ekoh, S. J
Ekpong, A. T
Ekula, B
Elegbeleye, J. O.
Ezeh, G. O
Ezenwa, S. C
Famodile, R. T
Faniyi, E. A
Fasiyi, A. K
Fatukasi, O. N. Z
Garba, A
Gondyi, J. S
Ibeneme, N. A. A. (Miss)
Ibeanu, C. M
Ibikunle, A. O
Ibrahim, Y. O
Idris, A. K
Igunnubole, M. O. E
Ihimodu, D. J
Ihugba, C
Inyang, I. J
Irofuala, V. C
Iwualor, C. D
Iwuanyanwu, C. I
Iyorochor, M. D
Jibrin, I
Kalu, I. N
Kehinde, M. A. O
Kenubia, F. O
Kotun, I. R
Kumolu, O. O. (Miss)
Lato, V. A
Lawal, K. A
Mahmoud, S. Z
Mafwil, J. M
Mathew, M. O
Mee, I. U
Mohammed, A. M
Mohammed, T. A
Musah, A. O
Nanle, S. K
Ndaeji, R. T
Nduka, I. P
Nnaji, K. E
Nnaocha
Nurudeen, A. O
Nwachukwu, A. O
Nwaguma, P. E. P
Nwaroh, U. J
Nwizugbo, O. A
Nwonye, N
Nzekwu, A. O
Obembe, O. O
Obi, P. S
Obot, O. J
Obubo, S. T
Odiete, E. S
Odebunmi, S. O
Odupeyin, R. O
Ogbatue, J. C
Ogbeide, R. (Mrs)
Ogbekhuemen, A. E.
Ogundare, H. A. (Mrs)
Ogundari, I. A
Ogunleye, O. S.

Associates Contd.

Ogunniran, S. O
Ojiaku, B. O
Ojieh, N. F
Ojo, A. O.
Ojo, S. O.
Okei, C. B
Okhani, S. A.
Okino, M. A.
Oko, B. E
Okobi, R. I
Okoro, J. C
Okorowu, F. C.
Olabode, L. O
Oladejo, A
Oladepo, G. A.
Olafemi, C. O. (Chief)
Olanite, S. B
Olasehan, M. O
Olanrewajus, G. O. (Sqn. Ldr.)
Olaloregun, M. (Mrs)
Olatunji, K. O. A
Olawore, T. O
Olomo, J. A
Olowookere, E. O. (Dr.)
Olusanya, A
Oluyide, P. O
Omogbemi, J. M
Omoniyi, S. O
Omosehin, S. A
Omosigho, H. E
Omolosho, P. O
Onadeko, O. A
Onile-Ere, A. A
Onipede, V. J. (Mrs)
Onokpise, U. P
Onwugbenu, M. O. (Chief)
Onwujiogu, E. O
Onwuneme, C. C. (Chief)
Onyekara, O. I
Onyenwe, P. N. (Mrs)
Onyeukwu, O. T
Opara, L. O
Opayemi, S. O
Opoko, O. C. (Arc.)
Oranezi, S. O. C.
Oricha, D. O
Oronsaye, D. A. (Mrs)
Osih, A. N
Osoh, J. L
Osibogun, A. O
Owodeyi, L. A
Ouandji, L. R.
Oyedokun, O. S
Oyelami, D. B
Oyewumi, O
Ozohili, L. A. C
Poloma, Y
Saka, K. A
Sanomi, C. R. C
Sasari, S. Y
Selo-Ojeme, D. O. (Dr.)
Shehu, J. U
Shittu, S. A
Shiyanbola, O. T
Shodipe, K. A
Siyanbade, A. M
Siyanbola, K. A.

Associates Contd.

Soluade-Garba, A. E. (Mrs)
Sotire, B. O
Suleiman, (Flying Officer) S. N.
Tubi, M. O
Umoh, E. J
Usman, S. S
Uzoma, A. M
Uzuh, J. N. E
Williams, B. O. (Mrs)
Yacim, E. M
Yahaya, S.
Yandaki, S. S
Yusufu, H. I. (Dr.)
Yusuf, M. A

Adekanbi, K. A
Adeta, S. B. O.
Adetayo, J. A. (Dr.)
Adeyemo, F. I
Agboola, F. O
Aghaizu, V
Agoha, I. U
Akogwu, A. O
Al, W. B
Amayigha, J. C.
Attah, B. E
Bamanga, M. B
Benjamin, H. A. (Revd.)
Dabwol, N. Y
Dairo, T. O
Damole, A. O. (Mrs)
Dike, A. O
Egesi Dim, B
Ehuriah, E
Emetarom, U. G. (Mrs)
Endu-Ogalaowei, P
Ezea, R. U
Famurewa, I. O
Faloye, H. B
Fawole, O. R
Folami, O. A. A.
Ishola, B. S
Okundaye, M. U
Oluwole, F. O

ELECTED GRADUATES

Abdullahi, I
Adelani, I. A
Adesanya, A. D
Ahmed, A. Y
Ajieh, L. P. C
Akinsanya, K. D
Arungwa, C. J
Egbonoje, O. C
Ihiabe, A. D
Kasali, T. A
Kukoyi, A. T
Kuku, R. O
Mathew, O
Owamoboye, O
Popoola, S. A
Salami, M. A. O
Tsejime, S. I.
Urhoghide, E
Asiwe, F.
Chukurah, P. A
Dele, O. S
Tukur, A. T

Graduates Contd.

Udonkanga, I. P.
Olusola, O
Ekwunife, B. O
Erinmworose, O. S
King, A. A
Obue, J. C
Ogbeha, E. A
Ogunyileka, A. S
Ogunyileka, A. S
Ojokegbe, C. O
Oke, O. A
Oladapo, M. A. (Mrs)
Onakoya, M. T. (Miss)
Oyebanji, S. B. (Miss)
Abimbola, A. O
Adebeso, A. A
Adekunle, L. A.
Adeyemi, G. M. T
Africs, J. D
Agochukwu, E. C.
Agu, C. N
Aihie, E
Akindayo, S. O.
Fatoyinbo, M. F
Moronkola, A. O
Nwankwo, K. I.
Nwobi, N. C.
Nwoffiah, C. C
Ogunleye, O. O
Olutomilayo, O. K.
Tahir, M. B.
Akale, R. A. A
Egbedi, R. O
Oteh, A. O. (Miss)
Sheikh-Othman, A
Adelemi, A. B
Afue, S. A
Agbogun, O. O
Ahmed, M. B.
Ajayi, B. Y
Akale, R. A. A.
Akinmade, E. B. (Mrs)
Aledare, E. O
Anike, U. P
Atokolo, E. E
Azaka, A. P
Chukwunenye, C. C
Davou, E.
Emesiobi, C. A.
Eronini, E. A
Gbobaniyi, M. O
Goni, K
Iluyomade, O. F
Kalu, H. A
Kohol, M. T
Nehikhare, V.
Njoku, M. O. (Mrs)
Nwankpa, L. I. O
Ogunfowora, A. S.
Ohagoro, W. K. U.
Oku, E
Onubogu, C. C
Otitoola, T. S
Otuare, M. I. (Miss)
Pinheiro, J. O.
Salami, K. A. (Miss)
Sala-U-Deen, S. O. A

Graduates Contd.

Sule-Odu, O. T.
Tonbra, B. J.
Umeana, A.
Yakubu, A. K.
Agbanyim, C. O.
Agbayim, M. I. (Mrs)
Akintoye, R. A.
Dosumu, P. A.

ELECTED AFFILIATES

Akpaka, F. A.
Analokwu, J. C.
Diko, I. R.
Idris, A. M.
Olumuyiwa, A. O.
Kadiri, S. A.
Ajayi, B. S.
Alkassim, M. R.
Aluko, M. I.
Anyanwu, H. I.
Awogbemi, T. T.
Dakwat, J. D.
Efegodo, S. E.
Ojo, O. O.
Oke, M. J.
Olagundoye, A. E.
Ayilara, M. A.
Adegbola, S. A.
Ademolu, B. K.
Ajala, L. O.
Akinsulire, K. A
Asoro, A. O.
Bello, W. A. G.
Coker, O. O.
Egbueze, S. C. P.
Emecheta, G. U.
Ezeh, G. C. W.
Adewuni, A. I.
Agbanuwa, G. F.
ANAMAH, J. C. (Mrs)
Ibrahim, O. J
Igbe, S. O.
Ike, J. N. O. K.
Iliver, S. P
Madu, E. C.
Maku, R. A. A.
Muetera, M. M.
Odugbemi, B. S.
Ogaziechi, C. N
Ogwoni, I. P. C.
Ojeli, F. N. (Mrs)
Ojetunde, M. O.
Osokoya, O. D.
Oyelabin, I. A
Olorunfemi, P. O
Sampati, T. T
Tanko, A. B
Udoh, U. M
Udola, S. A
Ugbana, A. A.
Ukomadu, O. A.
Ziemife, S. N
Omenye, N. T. (Mrs)

WELCOME

Upgradings

NAME	FROM	TO
Abiona, E. B.	Associate	Member
Adebayo, B. A.	Associate	Member
Adeyoyin, S. A.	Associate	Member
Adegbola, K. A. (Chief)	Associate	Member
Agim, C. O.	Associate	Member
Alabi J. O.	Associate	Member
Allahbamulafia, S. S.	Associate	Member
Ali, U.	Associate	Member
Belonwu, W. A.	Associate	Member
Chigbu, N. N.	Associate	Member
Diali, A. O.	Associate	Member
Egbe, A. O.	Associate	Member
Egbuonu, D. N.	Associate	Member
Egbuna, R. I.	Associate	Member
Ekanem, N. U.	Associate	Member
Elusiyan, O. S.	Associate	Member
El-Yakubu, I. (Alhaji)	Associate	Member
Oloruntuyi, C. A.	Associate	Member
Udaze, G. A.	Associate	Member
Ekeng, A. B. (Lt. Col.)	Associate	Member
Eledu, S. N.	Associate	Member
Famuagun, C. O.	Associate	Member
Galar, M. B.	Associate	Member
Gana, L. Z.	Associate	Member
Gnanasakaran, N.	Associate	Member
Green, O. (Mrs)	Associate	Member
Ibekwe, O.	Associate	Member
Hikima, A.	Associate	Member
Labinjo, O. (Dr.)	Associate	Member
Idowu-Olowu, A. I.	Associate	Member
Idowu, R. O. (Mrs)	Associate	Member
Ijitimehin, O.	Associate	Member
Ikenonwu, I. O.	Associate	Member
Muazu, D. A. (Dr.)	Associate	Member
Jimba, I. R.	Associate	Member
Nwagbara, G. N.	Associate	Member
Nwokolo, P. E.	Associate	Member
Shafe, A. I.	Associate	Member
Okoli, G. L. (Dr.)	Associate	Member
Okoye, A. O.	Associate	Member
Olabiyi, C. I.	Associate	Member
Olopade, J. O.	Associate	Member
Oludaiye, A. A.	Associate	Member
Onamuli, N. O.	Associate	Member
Oni, I. I.	Associate	Member
Ositelu, O. O.		Member
Oshun, O.	Associate	Member
Osundina, O.	Associate	Member
Tete, T.	Associate	Member
Agoro, M. K. O.	Associate	Member
Aina, S. O.	Associate	Member
Ajayi, O. O.	Associate	Member
Akponovwe, J. A.	Associate	Member
Anabor, P. E. (Mrs)	Associate	Member
Anka, M. I.	Associate	Member
Ariyibi, C. A.	Associate	Member
Arogunmati, J. M.	Associate	Member
Auta, I. S.	Associate	Member
Bankole, B.	Associate	Member
Bazuaye, N. O.	Associate	Member
Bezi, I. T. A.	Associate	Member
Faworaja, R.	Associate	Member
Umoh, O. D.	Associate	Member

NAME	FROM	TO
Ja'Afar, Y. K. (Mrs)	Associate	Member
Shukla, T. N.	Associate	Member
Adeniran, A.	Associate	Member
Alonge, I. O. O.	Associate	Member
Bashorun, A. O.	Associate	Member
Dada, S. O.	Associate	Member
Dalil, A. A.	Associate	Member
Ekiugbo, E. E.	Associate	Member
Erukaye, E. E.	Associate	Member
Ezeah, F. O. C.	Associate	Member
Fabiyi, J. O.	Associate	Member
Fabiyi, E. A.	Associate	Member
Fagbile, W. O.	Associate	Member
Falogbe, M. O.	Associate	Member
Fayomi, A. O.	Associate	Member
Idenyi, H. C. O.	Associate	Member
Jika, A.	Associate	Member
Jolaoso, A. O.	Associate	Member
Odubiyi, S. A.	Associate	Member
Ogwuru, I. O.	Associate	Member
Okafor, U. P.	Associate	Member
Olumhense, P. I.	Associate	Member
Omotoso, O. F.	Associate	Member
Orisanaiye, J. T. D.	Associate	Member
Umoh, S. T. (Major)	Associate	Member
Umoyo, E. E.	Associate	Member
Umusu, S. U. (Major)	Associate	Member
Abiri, J. O. U.	Associate	Member
Banfa, B. N. B. (Air Cdre)	Associate	Member
Bawa—Allah, (Engr.) T. O.	Associate	Member
Chizea, B. I. (Dr.)	Associate	member
Doghudje, C. A.	Associate	Member
Dosunmu, J. O.	Associate	Member
Ebuh, V. O.	Associate	Member
Egungbohun, S. A.	Associate	Member
Egwaikhide, F. A.	Associate	Member
Ejehu, S. M. C.	Associate	Member
Ekpenyong, M. S.	Associate	Member
Ezenekwe, J.	Associate	Member
Adeyemi, J.	Associate	To Remain Associate
Ekubo, A. O.	Associate	To Remain Associate
Ezenwa, E. N.	Associate	To Remain Associate
Ezeugoh, B. A. C.	Associate	To Remain Associate
Ologunde, F. O. (Chief)	Associate	To Remain Associate
Afolabi, F. O.	Affiliate	To Remain Affiliate
Kehinde, O. A.	Affiliate	To Remain Affiliate
Ukanwa, C. O.	Affiliate	To Remain Affiliate
Watse, U. B.	Affiliate	To Remain - Affiliate
Ogundipe, E. O.	Associate	To Remain Associate

FROM	FROM	TO
Abidogun, S. O.	Graduate	Associate
Egigba, G. O.	Graduate	Associate
Ekanem, B. J.	Graduate	Associate
Adebowale, F. O.	Graduate	Associate
Adeosun, A.	Affiliate	Associate
Aderonmu, A. A.	Graduate	Associate
Adeyemi, S. O.	Graduate	Associate
Agbapolu, I. O.	Affiliate	Associate
Akande, A. O.	Affiliate	Associate
Akaran, F. I. S.	Affiliate	Associate
Agboke, S. B.	Graduate	Associate
Ajelabi, E. K. (Mrs)	Graduate	Associate
Akintaro, E. O.	Graduate	Associate
Anifowose, E. O.	Affiliate	Associate
Anokwuru, K. J.	Affiliate	Associate
Yamusa, A. B.	Graduate	Associate
Adebari, C. O.	Graduate	Associate
Amadi, J. E. S.	Graduate	Associate
Enakhimion, M. A.	Affiliate	Associate
Oboloko, A. (Mrs)	Graduate	Associate
Okoye, C. I.	Graduate	Associate
Oloidi-Babalola, O. T.	GRaduate	Associate
Onuigbo, S. I.	Graduate	Associate
Orunmuyi, S. K.	Graudate	Associate
Oyedele, O. O.	Graduate	Associate
Obaleye, J. A.	Affiliate	Associate
Ojewumi, O. A.	Graduate	Associate
Ome, O. O.	Graduate	Associate
Adeparusi, A.	Affiliate	Graduate
Ibok, K. U.	Affiliate	Graduate
Owolabi, E. O.	Affiliate	Graduate
Abdullahi, D. E.	Graduate	Associate
Adeyemi, A. K.	Graduate	Associate
Ajale, D. I.	Graduate	Associate
Ba'ogun, B. O.	Graduate	Associate
Ezeibe, B. C. O.	Affiliate	Associate
Fasan, O. D.	Graduate	Associate
Ojukotola, R. O.	Affiliate	Associate
Onyido, B. C.	Graduate	Associate
Fagbamigbe, J. C.	Affiliate	Graduate
Ahmed, S.	Graduate	Associate
Babalola, T. A.	Graduate	Associate
Adeyemi, J.	Affiliate	Graduate
Openiyi, S. A.	Affiliate	Graduate
Agbi, I. D.	Affiliate	Graduate
Egbula, N. I.	Affiliate	Graduate
Inyang, J. U.	Affiliate	Graduate
Omuiale, O. O.	Affiliate	Graduate

CONGRATULATIONS ON YOUR ELECTION

References

(Continued from page 36

Law Dictionary 6th Edition.

5. Lowe Robert, Commercial Law 1964 Edition.
6. Workmen's Compensation Act 1942 Cap 222 of the Laws of the Federation of Nigeria.
7. Workmen's Compensation (Rules of Court 1942).
8. Trade Disputes Act 1976.

1989 NIM ANNUAL NATIONAL MANAGEMENT CONFERENCE

DATE:	30th and 31st March, 1989.
VENUE:	Federal Palace Hotel, Ahmadu Bello Way, Victoria Island, Lagos.
MAIN THEME:	*"The Challenges of Ownership of Enterprises in Nigeria: Management Prospects and Problems".*
SUB — THEME I:	*"Managing the Challenges of Privatisation and Commercialization".*
SUB — THEME II:	*"Managing Agro-Allied and Small-Scale Industries".*
FOR WHOM:	All Senior Managers in Industry and Commerce; Top Functionaries in Government and Trade Unions; Academicians; Members of Professional Institutions and Senior Employees in the Parastatals; Individual and Corporate NIM Members and Interested Members of the Public.
FEES:	Members N300.00 Non — Members N350.00 FEE covers conference materials, two buffet luncheons, cocktail, snacks and other refreshments at periods to be stated.
PAYMENT:	Payments can be made in Certified Cheque/Bank Draft/Cash. Certified Cheques/Bank Drafts to be made payable to Nigerian Institute of Management and mailed to: The Director-General, NIM, P.O. Box 2557, Lagos. Cheques drawn outside Lagos, should be crossed and marked "A/C Payee Only" and be endorsed "Commission to Drawer's Account and be duly signed
REGISTRATION:	Forms can be obtained from

The Director of Membership Services
Nigerian Institute of Management
Plot 22, Idowu Taylor Street,
Victoria Island
P.O. Box 2557, Lagos

The Area Manager (East)
c/o The Eastern Area Office
Nigerian Institute of Management
215, Port Harcourt Road,
Post Office Box 3272, Aba

The Area Manager (North)
c/o The Northern Area Office
Nigerian Institute of Management
57, Airport Road,
Post Office Box 6382, Kano

A N D

Branch Chairman/Secretary at Abeokuta, Ibadan, Akure, Minna, Jos, Kaduna, Benin, Onitsha, Owerri, Port Harcourt, Ziria, Ilorin, Enugu and Calabar. *OR*

Fill form below and mail to Director of Membership Services, NIM.

REGISTRATION FORM

Please register me for the forthcoming NIM 1989 Annual Management Conference coming up at the Federal Palace Hotel, Lagos, on the 30th and 31st March, 1989.

NAME. ....
(Surname) **(Other Names)**

COMPANY ADDRESS:. TEL. No. ....

Position in Company: .... **Grade of Membership:** ....

Person to whom NIM should address official confirmation of registration: ....

.... **Name and Official Designation:** ....

I enclose N : K /N In cheque No. ....

of .... **Signature:** ....

EXTRACTS FROM CENTRAL BANK MONTHLY REPORT— APRIL/MAY, 1988

1. Domestic Economy

(i) *Financial Sector*

Narrow money (MI) rose by ₦485.8 million or 3.0 per cent to ₦16.6 billion in May 1987. The factors which influenced this rise were the increases in bank credit to the economy, foreign assets and other assets (net) of the banking system. The expansionary impact of these factors more than offset the contractionary effect of the rise in quasi-money.

CURRENCY in circulation at end of May rose by ₦239.1 million or 3.4 per cent to ₦7,330.5 million. The two components (vault cash-and-cash outside banks) increased by 22.6 and 1.8 per cent, respectively.

Trading activities on the Nigerian Stock Exchange increased during the month as 40 million shares were traded in 1,384 deals compared with 15.0 million exchanged in 1,542 deals in the previous month.

The prices of Nigeria's major agricultural commodities improved marginally on the London Commodities Market in the review month due largely to fluctuation in the trading currencies. The all-commodities price index rose by 0.1 per cent to 981.6 (1975 = 100).

International Developments

Foreign exchange transactions through the Central Bank in May resulted in a net inflow of ₦22.5 million in contrast to a net outflow of ₦766.2 million in the preceding month.

On the Foreign Exchange Market (FEM), Naira exchanged for the US Dollar at an average rate of ₦4.1103 during the month of May.

(v) *Kano State Exempts investors from paying Ground Rent*

In order to attract industrialists and strengthen the image of Kano State as the commercial nerve-centre of the north, the State Government during the month granted free land to investors and also exempted them from paying ground rent for an initial period of five years. These constituted further incentives to industrialist under the state's rural industrialisation programme. Free consultancy services were also to be provided, while the state government is pursuing provision of adequate water, electricity and rural road development. The sum of ₦120,000.00 has been awarded for consultancy contract for the study of industrial potentials in each local government area of the state.

Export Prices of Nigeria's Major Agricultural Commodities

Export Prices of Nigeria's Major Agricultural Commodities rose marginally on the London Commodities Market in May. The all-commodities price index rose by 0.1 per cent to 981.6 (1975 = 100). In dollar terms, the index rose by 2.4 per cent to 147.1.

Exchange rate movements

The naira appreciated during the two auctions of the Foreign Exchange Market (FEM) in May. At the first auction, ₦4.1751 exchanged for one US dollar, while the naira value increased to ₦4.0455 = $1.00 during the second auction, representing an appreciation of about 3.2 per cent within the month.

On the average, the naira traded at ₦4.1103 to the US dollar compared with ₦4.2023 in the previous month showing an appreciation of the currency during the month reflected official intervention in the market to increase the exchange value of the naira.

Agricultural Insurance

In April, the Federal Government released the sum of ₦41.5 million to the Nigerian Agricultural Insurance Scheme (NAIS) as part of its 70 per cent share of the ₦200 million reserve fund of premium income.

Other contributors to the fund include State Governments and Abuja (10 per cent); Central Bank of Nigeria (5 per cent); Development Banks (2 per cent); Oil Companies (2 per cent); Commercial Banks (6 per cent); Insurance Companies (2 per cent), and Merchant Banks (3 per cent). Most insurance and oil companies (about 80 per cent) have already paid their shares of the contribution while those remaining have indicated their willingness to contribute.

Establishment of the Multilateral Investment Guarantee Agency (MIGA)

Investment Guarantee Agency (MIGA) which is to help developing countries attract productive foreign investment became effective on April 12, 1988. MIGA, a new member of the World Bank has accepted membership from 29 countries—including Nigeria. The agency will strive to enhance mutual understanding and confidence between host governments and foreign investors and make investors aware of investment opportunities. In order to fulfil its purposes, MIGA will guarantee elegible investments against losses arising from non-commercial risk. This guarantee is expected to lead to a resurgence in foreign private investments to developing member countries.

DR. KOLADE GIVES ACCOUNT OF HIS STEWARDSHIP (1986 — 1988)

THE term of office of Dr. Christopher Kolade as Chairman of Council and President of NIM expired on the 24th of September, 1988. *Management in Nigeria* talked to Dr. Kolade about his achievements and experiences during his tenure.

Editor: I want to start by thanking the President for accepting to be interviewed because we realize that you are a very busy executive.

Dr. Kolade: Thank you. It is a pleasure. I consider it worthwhile as a forum for reviewing or reporting my stewardship so that NIM can benefit from the experiences of the last three years.

Editor: You have managed the affairs of NIM in the last three years as President of NIM and Chairman of Council. What will you consider as your major achievements and for which you will like to be remembered, as the boss?

Dr. Kolade: I think we should set the basis of communication. You used the expression that I have been the boss of NIM for three years; in fact that is not so. NIM, is an institute, the chief executive of which is the Director-General. Therefore, he is the person who can truly be described as the boss. The President/Chairman of Council is the one who presides over the affairs of mainly the Council and the executive committee, and you must liken the Council of NIM to the Board of an enterprise. They come in and set the general framework of policy, they direct the general philosophy of the organisation, but the actual running of the organisation belongs to the Director-General and the executive members of management. The other thing I want you to remember is that both Council and the President are actually elected year by year. The President, although he is allowed to be president for three years in succession must be re-elected twice within those three years. If he serves his first year and he is found unsatisfactory, that is it, he has had one year. So, I think it is important to understand the system and the structure before we start claiming that the President has done this or that. That room for achievement is constrained by the way in which we have set up the Institute. As for my tenure as President, obviously, I have been on the Council of NIM for several years before becoming the President and therefore, I have participated in Council deliberations and decisions over those years. And during those years especially when I became the first Vice-President, it was clear to me that basically, the internal machinery of the Institute for carrying out its services was weak, and it had been weak not just for one or two years, it had been weak for quite some time. When a problem takes a number of years developing, it is difficult to solve it overnight. So, infact, my main desire on becoming President was to make sure that Council under my leadership would, first of all accept the fact that our executive machinery was weak and we needed to strengthen it, and would then acquire both the courage and the dynamism to set out to solve the problem. It was my feeling that if we could get that right, then we would really be in a position to start offering good service to our membership. So, if there is anything I wish to be remembered for, I hope it will be said that during these three years I have led Council to tackle the problem and to restructure the Institute internally so as to be in a strong position to offer the kind of quality service that it should offer.

Editor: On page 6 of the 1987 Annual Report, you asserted that the quality of Management makes all the difference between success and failure and you concluded that this has posed a challenge to the Nigerian Institute of Management. Knowing fully well that Nigeria's economic woes stem from poor management of its abundant resources, in what ways has NIM, under your leadership, improved management practice in Nigeria in order to help Nigeria out of its present recession?

Dr. Kolade: Well you know, of course, that as an Institute, the NIM tries to make sure that those managers that are active in this nation receive opportunities for exchanging ideas and views about modern management practice at our Annual National Management Conferences, at our Young Managers' Competition, at our courses and seminars and now at our Distinguished Management Lecturers. What we seek to do through these events is to bring home, particularly to the managers and to anybody who cares to listen, the fact that Management is a profession and that it has standards; and that if you observe those standards, you will see **Good Management.** If you don't, you will not see **Good Management.** And really, as an Institute, that is one of the first things our Institute tries to do. The second thing that the Institute tries to do, of course, is to ensure that we have members in every sector of the economy and that our members receive our journal, read our articles and take advantage of all the things we offer in their day-to-day practice of management. This will help them.

Thirdly, we mount courses that many of our corporate members send their managers to. Here, they learn about all aspects of management—Financial Management, Personnel Management, *et cetera*. We have been mounting these courses since the early sixties. Consequently, you will discover that there are not many managers in the private sector today who will not at one time or the other have had some contact with an NIM course and thereby, improve his management knowledge and management skill.

So, these are the ways but at the end of the day, the individual manager is responsible for his own particular unit of activity. No Institute however clever, however well-staffed, however well intentioned will do the manager's job for him. All you can do is to fill in the gaps in his knowledge, try to improve his skill and then let him *loose off the activity*. So, these are the things. It is a challenge that will continue for a long time. Even in far more advanced countries where you will say that they have had longer periods to address these issues than we have, you will still find that the quality of management is also of concern to them. They know that they have got some places where they have good management but they look around and they still see lots of places where there are bad management. Even in the "Financial Times" of London, you will find from time to time a page called the Management Page and it has there tips on what managers should do. And if you look at many of the universities abroad, Harvard University for instance has the Harvard Business Review. The Harvard Business Review is meant to help practising managers to address the things they should be addressing. So, all over the world, it is recognised that the quality of management is crucial to success in things you do and everybody is trying to improve on that quality.

Editor: Sir, do you think that Government is paying attention to the resolutions generally taken at NIM conferences and if not, what efforts is NIM making to get the powers—that-be to use these resolutions?

Dr. Kolade: In Nigeria today, there is at least a conference a day somewhere. So imagine all those conferences passing resolutions and communiques. Many of them repeat themselves and infact you will find that we've passed perhaps the same body of resolutions six or seven times over. What happens is that unfortunately, this is not a country in which the policy-makers and policy implementers take much notice of communiques or resolutions. They will take notice of somebody who gives instructions. If the instruction comes from the President or the Chief of General Staff, it will be given recognition; but if it is just a resolution passed by some professional managers meeting in Port-Harcourt, it is generally regarded that they had gone to have a good time. So, traditionally, we don't pay much attention to resolutions and communiques. But the NIM has tried over the years to make sure that each policy-making spot in government gets a copy of its resolutions. We invite public servants, to our courses and seminars. We exchange views with them. We show them why we think the way we do and why we think that our own way of thinking should help to run the nation better. But beyond that, we really cannot do much. So I will say we have tried.

Editor: Sir, you will notice that it seems that in the last few years, the finances of the Institute have not been up and coming. What is NIM doing to be able to bring up its finances? You remember that a newspaper carried it some months ago that NIM was nearly running bankrupt.

Dr. Kolade: The question is how does the NIM get its money. Basically, it gets its finances from members' subscriptions—individual and corporate. It also gets some finance from the services which it offers like courses but the consolidated revenue is through members' subscriptions. However, when you ask members to pay their subscriptions, they must wonder year by year, what they are getting in return for what they pay. You will recall that over the last few years, a constant complaint has been that our membership service has left a lot to be desired. People who joined the Institute as Associates ten or fifteen years ago remained Associates even though by now they should have been upgraded in order to keep up their interest in the welfare of the Institute. The momentum should have been maintained but our records were in such a poor condition that we did not even know the basic information about many of these people. And you see, you cannot blame people for switching off in those circumstances.

Don't forget also that in the last few years, Nigeria has suffered economic reverses and things have been going down steadily until we came to SAP and the crunch really came. And in the last two to three years, people have been concentrating mainly on essential things. People have tended to spend their money on food.

schooling for their children and sustenance for their family and therefore, something like paying for membership of an institute (even if it is a small sum of money) has not featured prominently on people's priorities. So, all these things have combined to reduce income from membership subscriptions. You see, it is a challenge; and what we must do is to recognize what the problems are, and thereafter, acknowledge that the institute itself is in a position to encourage members to be committed to their Institute and then support it financially. As you know, Council in the last two years has now insisted that upgrading of members be tackled with determination and we are seeing a lot of activities in that area.

The publication of the magazine is something we have given attention to. We now do its circulation among members in some places through branches. These things will help to re-awaken interest in membership and of course, as I said earlier, if we manage to raise the quality and standard of service that the institute is giving, people will feel proud once more to be part of the institute and they will pay up.

Editor: Your last two reports have continued to warn of the impending danger of the inability of NIM to meet its repayment obligations to the creditor banks on Management House; and that the financial insolvency of NIM is caused by the fact that many NIM individual members have not redeemed their Management House pledges. At the same time, you said in your 1986 special appeal that "we cannot proudly seek more funds from outside the Institute when our own members have paid only 7½% of the general levey. "What magic then do you think NIM can perform to save it from the "indignities which must be suffered by a debtor who is unable to pay up"?

Dr. Kolade: When we were launching ourselves into the project for building Management House, the intention was that members of the Institute would pledge sums of money as donations to the project. We also then went to the Federal Government, State Governments, corporate bodies, whether they were members of the Institute or not; and asked for donations and we got pledges. And from the pledges that we got, it looked as if there would be no problem in building this house. Our pledges went to over N4 million. Now, what has happened is that quite a lot of people who made pledges did not honour it, members particularly whose interest should be closer to the project than non-members.

A few of the members who have joined NIM since then, of course, did not make any pledges because they were not part of the NIM then. Then Council said in that case, let us set up a levy. This time, it is not a pledge. It is mandatory that you pay so much if you are this grade of member, all in an effort to get the money to come in. I am afraid the response of the membership has been very low and I have pointed that out in my two special appeals in the last two Annual Reports.

Now it has been suggested to us that what we should do is to relaunch the fund and get more donations. My attitude to that, and I am not claiming that I am right, has been if you launched this thing the first time and you actually received donations, (don't forget the Federal Government gave us a quarter of a million naira to start with and gave us another fifty thousand Naira at our Silver Jubilee Anniversary) is it right to go back to the same set of people who have fulfilled their pledges to the Management House Appeal Fund?

Almost all our corporate members have paid their pledges. It is the individual members now. If we have received donations from those people out there and we now relaunch the fund and go back to the same people and say we want you to give us more money for this project, they are entitled to ask why are you asking us again? What have you done for yourselves? And I have said that Council must find a way of making members respond to their responsibilities before we go back and start asking other people.

In the mean time, we are looking at the other assets that the Institute has and if there is any of them that we feel that we can turn into cash in order to save us from this debtor status, we will. If Management House becomes the only asset that we then have, so be it. That is the way Council is thinking; but really in my mind, there is no better answer to this question than for members to honour their obligations.

Editor: Last year, you reported that the Consultancy Division did not produce satisfactory results in 1986. Is this partly the cause of the structural re-organisation you highlighted in the 1987 report? Has this improved the services and revenue of NIM?

Dr. Kolade: The situation has improved because now the Director-General has taken a hand in consultancy himself. The truth is that the Consultancy Division was under-performing for a number of years; and although there was an excuse for one year that the management had other duties, infact, the point is that the division had always under-performed. Now that the Director-General and the other senior staff are taking a hand in consultancy, I believe this year will be a lot better than we had done in the last three to four years.

Editor: From the present workings of NIM and the Annual Report of branches, are the branches not semi-autonomous now? If no, how is NIM rationalising the activities of the branches? For instance, some branches have started holding management courses on their own; some are investing Governors on their own; some are doing some publications on their own. Some are even raising funds running to hundreds of thousands of Naira without necessarily consulting with NIM headquarters. What have you to say about this, sir?

Dr. Kolade: Of course, it does; but you see, these branches which are carrying out these activities perceived certain gaps between what they wanted and what they were getting. If the Institute from the headquarters had been doing all of these things that you talked about, that is organising seminars, lectures, symposia and other events not only in Lagos but in different centres around the country, branches will not take over those functions. Take for example that if the NIM headquarters went to Onitsha and ran a seminar, the Onitsha members would consider it as recognition for them. Isn't it? But they were not getting that, so they started doing things on their own.

If also we had been in good communication with them from the headquarters, when they want to mount any event, they would talk to us. It has happened in some places that I have gone to in my three years. I have gone to NIM events in Enugu, Onitsha, Owerri, Jos, Kaduna, Kano *et cetera*. I don't mean Annual National Management Conferences. I mean things planned by the branch and to which I went because they invited me as President of NIM. They are proud to have us there. They don't want to go it on their own. It is not their wish to do it on their own but when they see that the standard of activity from Lagos is not really meeting their own conditions, then of course, they tend to go on their own. All of that will change when we restore the active communication between Lagos and branches.

It is very important to remember that there is a distinction between the functions of Council and those of the executive management that operates the NIM from day to day. Executive management are the ones who should keep in touch with the branches, know what the branches are planning, know what they are doing and make suggestions to the branches. If you look around this country, you know that Kano is a big commercial centre. You know that Kaduna is mainly an administrative centre. You know that Jos is a sort of tourist area. We should try to capitalise on the strength of each place and plan things to happen there; suggest to them that they should look in certain directions for activities and invite us to come and take part and you will find out that the Institute will be one Institute. It is good for the branches to be strong because eventually, each member gets his best satisfaction from his branch but there must be close co-ordination of thinking, policy and action between the branches and headquarters.

Editor: Has Council actually recognised this situation; and what is Council doing about it?

Dr. Kolade: Well don't forget that Council is made up of members from these branches. Many of these branch representatives on Council complain audibly about this lack of communcation and about lack of response. So they know that Council knows.

Editor: Congratulations on getting the Diploma Programme off the ground. But sir, what is the present status of the diploma programme? In other words, what is its equivalent in terms of accreditation?

Dr. Kolade: Well, as everybody knows, we are striving very hard to secure official status recognition for the Diploma Programme. We are told that this is a decision that belongs to the Nigerian Board for Technical Education and we have established contact with that Board. They know what the programme is. They know what our syllabus is. They know the quality of work that we are doing here and we believe that it is only a matter of time before the recognition is given. So, I would urge all those who are involved in the programme, those who are students of the Diploma Programme to be patient just a little while longer. I will say within a short time, we should be able to get proper recognition for the Diploma Programme.

Editor: How much patronage do the NIM policy-makers give to the services of NIM e.g. training, advertisement, consultancy et cetera?

Dr. Kolade: I cannot quantify, but I can tell you what the underlying issues are. You see, when even I as President and Chairman of Council go to the NIM Council and sit as Chairman of Council, my priority interest is NIM and I do all that I can there and then to make sure that the NIM lives up to its responsibilities. We must always separate this from me when I come back to my position as the Managing Director of Cadbury. My interest and priority interest on this desk is Cadbury not NIM and therefore, if there is a service that Cadbury needs and which NIM offers, the quality of that service that Cadbury requires is the determining factor as to who gets the contract. Cadbury will then say, this is what we want, that is how we want it. If NIM can measure up to that, they get consideration; if NIM cannot measure up to that and somebody else can, that person will get the contract in preference to NIM.

Now I can give you my personal experience. The company wanted to do some kind of research that had to do with the staff in the factory, and I said to my personnel people that I know that NIM has consultancy service for determining what levels of management would be needed in a place. So in considering a consultancy outfit to be used, NIM consultancy Unit must be considered along. I told them that. In the end, the personnel people decided that they will use the NIM Consultancy and the contract was given to the NIM Consultancy and the terms were that 50% of the total fee for the consultancy would be paid before the job started. This was duly paid. Then the Consultancy Division of NIM came and nothing happened. The quality of the work that eventually came out was so poor that I myself as the Managing Director of Cadbury instructed our personnel people not to pay the other half of the money because we had not received the service that the NIM contracted to give us. So you see that the NIM has to give service of the right quality before it can enjoy unreserved patronage even from its own Council members. And this is why it has been my own priority that the executive machinery must be good because it is after this step that we can be ambitious to service everybody in this nation. If we cannot do it properly, nobody is going to look at us.

Editor: In your opinion, don't you think that the public image of NIM has suffered a decline since its Silver Jubilee Celebrations in 1986? If so, don't you think that this must have been contributory to the steady decline of the financial fortunes of NIM? What does NIM intend to do to improve its public image?

Dr. Kolade: That proves the point that your image actually comes from what you do. The image is not an abstract thing that you develop simply because you are NIM. It is when you do something that is noteworthy, something that is news that you get attention. In the last one year, we've received publicity when we had our Annual National Management Conference. We've received publicity for our Distinguished Management Lecture Series because we were actually doing something that people thought was noteworthy. The more of that that we do, the better they will know of us: but if we don't do much, nothing will happen. In the late 60's and early 70's, we used to have this luncheon for Chief Executives and I participated in a few myself; and then it just faded out and NIM seemed to be unable to get itself together. One of the things that you notice now is that we have brought back the Distinguished Management Lecture. How do you think that happened? The way it happened was that first we tried to improve our internal strength by appointing a Director-General who at least was unaffected by all the other distractions that used to go on in the Institute. Then between him and me, we got together to relaunch the lecture. We have now done two and I hope we are planning a third. If that becomes a regular pattern of life, that is the way our image can come up. It is when the Institute is doing noteworthy things that it will get a good and positive image. And even though one has to pay for publicity on certain things now, news is still news. Anyone talking about the economy, is talkiing of something that is close to the social conscience of the people. The mass media people cannot avoid publicising it and you won't have to pay for it. If you put the Chairman of Lever Brothers, as you say you are going to do, to speak to the public on issues of topical importance, all newspapers will be there, whether you pay them money or not. So the way to improve the image is to do things that are noteworthy.

Editor: Let us come to staff matters. What has the President done in the last three years to improve the lot of workers of NIM particularly since the wage freeze was lifted?

Dr. Kolade: You remember that when the government decided to lift the wage freeze beginning in 1988, they did something in the public service—the enlongated salary structure. In addressing the issue in the non-public part of the service in this country, Government said that employers and employees should get together and that whatever they decide should be affordable. In other words, there is no point meeting yourselves and say okay, we will give you all 100% increase which one is not able to do since the fund is not there. And we've just been talking during this intereview of the lean purse of the NIM. So, within that lean purse, you will recall that for about 3 or 4 years before 1986, NIM staff got no increments; even the yearly increments, they did not receive. What we have done in the last 2 years is that at the end of 1986, we gave an increment and in 1987 we gave another increment and only at the last Council meeting, we decided that in line with the release of the wage freeze, we ourselves should do something for our staff. So we have given another increment effective from the 1st of July. So within our very lean purse, I would say that we have done our best to improve the conditions, the pay packets and we will do more provided we can afford it.

Editor: It is understood that Council and ET & PC are thinking of making Management In Nigeria go commercial: that is, it must be able to pay its way. Has Council thought about the implications of this proposal? First, it will mean expanding considerably the present facility and cutting a distinct image for the journal so that it can compete favourably on the newstand without suffering inferiority complex.

Dr. Kolade: They may not be aware, but it is the people who work on the journal who have to make them aware of the problems. And remember always, my own philosophy of life is that problems exist to be solved. Therefore, I acknowledge that there are problems. I also acknowledge that it is human beings that are going to solve these problems. So let it be you and me that are going to solve these problems.

You know that one of the reasons why the journal has not been able to pay its way over the years was that we are failing to collect our advertisement revenue. We published advertisements and we couldn't get the money in. That was one of the reasons. One of the other reasons was that we couldn't get enough advertisements. But how are you going to do that? The only way you are going to start approaching that is for us to really take the commercial aspect of it more seriously and that means, if you want to commercialise it, you've got to have an influence on the content. You've got to be able to influence what it is offering. So, you see what will happen if the managers who receive this journal begin to think that "if I need topical information, if I need some background information to public policy, I can find it in the NIM journal". That is the way that you begin to get people interested and then more people will read the thing because they now see that it offers them the kind of information they can actually use, and your advertisements will start coming in. You see, these things require effort and they require time. Honestly, it is only when you get the right calibre of people with good professional standards that they will begin to make the efforts and begin to spend the time.

Editor: *It seems that what most people admire in you is how you conduct meetings. Many people have said this over and over again that you seem to have quite a lot of control over meetings. How did you develop this?*

Dr. Kolade: Well, first of all I think there is a fair bit of talent in this kind of thing. It is a talent to be able to actually co-ordinate people's thoughts and words because a meeting is made up of several people but a meeting is meant to achieve certain set objectives; so those several people somewhere along the road must come together and be led to achieve certain objectives. What I have discovered is that if you make a habit of listening well, in other words, when you are chairing a meeting and somebody is speaking, don't allow your thoughts to wonder into other things of your own. Listen carefully to what that person is saying so that when the next person starts to speak, if you also listen carefully, you may find areas in which Mr. B. is now repeating Mr. A. It is now the business of the Chairman to make sure that not too much time is wasted on that kind of repetition. So you interupt politely and say that what he is really saying is that he agrees with what the earlier speaker had said. So immediately, you help him to come to a resolution of what he was saying by pointing out to him that it has been said. But you are not saying to him, "Look you are repeating, don't waste our time". We don't do that. We say, what you are actually saying is that you agree with the last speaker. Then, you ask if there is anyone who disagrees with him. And if you discover that in that meeting, nobody disagrees with the view, you say fine, we take that view and move on to the next point. Whereas if you let it go, you could have 5 or 6 people all saying the same thing and agreeing with the same points that had been well made by the first man. But you see, you must listen very well, you must accord each person his full entitlements. Everybody has a right to participate, and you must give them the opportunity. And for as long as they are saying something new or something significant, they must be given the opportunity to say it; but the moment they are beginning to repeat or veer off, other people in the meeting will start getting impatient and you can lose control. So you yourself have got to step in ahead of anybody else and politely move that person in the right direction. But as I said, that is not to say that it is easy. But at least, it can be done.

Editor: *Apart from being the President of NIM and Chairman of Council, you are fully involved in the running of Cadbury as the Managing Director. It is also understood that you are an active churchman. How are you able to combine all these responsibilities without jeorpardising your domestic presence?*

Dr. Kolade: Don't forget first of all that as a professional manager, one of the things that I have learnt over the years is Self and Time Management. Although my range of activities may appear to be very wide, and therefore, that I am constantly on the go, infact, the point is that I try to contain myself within the capacity that I know that I have. In other words, those things that I do now, I believe I can manage very well to do because my church activities take place on Sundays and in the evenings of Tuesdays and Thursdays. So it means that if you want me to come to a business cocktail party on a Tuesday or Thursday, I will not go. But I am always available for my business responsibilities throughout the day and on other evenings of the week. And then I have other interests as well which I pursue at weekends and other times. But generally speaking, I get invited to take part in many events. People want me to be guest of-honour of this, chief launcher of that *et cetera,* and I write back politely to say "Sorry, I am otherwise engaged." Most times my diary is full for 2, 3, 4 weeks ahead. So, there are many things that I do not participate in. I do tend to participate only in as many things as I can manage. So, it is a matter of managing one's time, managing one's energy. Don't do more than you really can do. And try to compensate for all your activities by taking sufficient rest when you are at home.

Editor: *Thank you Mr. Chairman of Council and President of NIM. It has been very revealing and educating talking with you.*

The interview was conducted by Mr. Dele Osundahunsi, Editor of *Management In Nigeria;* and assisted by Mr Chris Amah, Assistant Manager (Publications).

SUMMARY

"So, if there is anything I wish to be remembered for, it is in leading the NIM Council to accept the fact that our executive machinery was weak and that we needed to strengthen it in order to be in a position to offer the right kind of quality service that our members desire".

Dr. Christopher Kolade.

Help Complete Management House

The Nigerian Institute of Management (NIM) has been the big post experience manpower training and development force behind most Nigerian multi-faceted public and private enterprises.

The completion of its new Headquarters —"Management House" will enable it to give more and better service to the nation in the highly demanding years which lie ahead. The Institute, therefore, needs the support of everybody to enable it complete this project.

All Managers are invited to donate generously to the completion of Management House. Donations can be made by instalments. All donations will be publicly acknowledged at appropriate intervals, unless donors instruct to the contrary.

Grade of Membership & Development Levy

Fellows	N1,000.00
Members	600.00
Associates	450.00
Graduates	150.00
Affiliates	100.00

Special Donation *(OPTIONAL)*

Fellows	N5,000.00
Members	N3,000.00
Associates	1,500.00
Graduates	N1,500.00
Affiliates	N1,500.00

Send your contributions now to:

Director-General
Nigerian Institute of Management,
P.O. Box 2557,
Lagos.

N.I.M. DIPLOMA IN MANAGEMENT PROGRAMME

ADMISSION

THE NIGERIAN INSTITUTE OF MANAGEMENT invites applications from suitably qualified candidates for admission into the Diploma in Management Programme.

THE DIPLOMA PROGRAMME is a part-time study mainly designed for working managers/supervisors who do not have time for full-time studies. Registered managers/supervisors and students are encouraged to study on their own or enrol in weekend or evening institutions that offer courses for the Programme.

The Programme runs in three parts, Parts I, II and III to qualify a student for a **DIPLOMA IN MANAGEMENT.**

ENTRY REQUIREMENTS

APPLICANTS will be required to submit acceptable evidence that he has obtained an approved educational qualification. The following educational qualifications will be accepted for this purpose.

1. A degree or approved diploma of a recognised University; or
2. The final examination certificate of a recognised professional body, or
3. At least Ordinary National Diploma or Certificate in Business Studies or Public Administration, or
   - *(a)* GCE 'O' Level in Five (5) subjects, including English Language; or equivalent qualifications from a recognised institution or examination body; and
   - *(b)* Three years post-qualification suitable and related work experience in an organisation preferably at not below supervisor capacity. Any candidate falling under this clause will be required to furnish evidence of work experience from an employer or a **PROFESSIONAL MEMBER** of the **NIGERIAN INSTITUTE OF MANAGEMENT.**

METHOD OF APPLICATION

Application forms are obtainable from the Institute at the following rates:

Application Form	₦ 25.00
Prospectus	₦10.00
Student Registration	₦50.00

Payment can be made in **CASH OR CERTIFIED BANK DRAFT. POSTAL/MONEY ORDERS** are *NOT* acceptable.

For further details contact:

The Director-General
Nigerian Institute of Management
Plot PC 22, Idowu Taylor Street
Victoria Island
P.O. Box 2557, Lagos.