

The background of the cover is a photograph of a sunset or sunrise over a body of water. The sky is filled with soft, colorful clouds in shades of orange, yellow, and blue. The water is calm, and several ships are visible on the horizon line. The overall mood is serene and hopeful.

HOPE REKINDLED

A COMPREHENSIVE ANALYSIS OF
NIGERIA'S NATIONHOOD
CHALLENGES AND HOW
TO OVERCOME THEM

SAM S. O. AFEMIKHE

Hope Rekindled is a sad story of the betrayal of the nation from the time of colonialism. It succinctly calibrates the compromise of its development and progress by the elites who rather than invest in their people, environment and future chose to create an extractive society through their selfishness and short-sightedness

- THISDAY

A most revealing study of the social, political and economic state of the nation supported with incontrovertible national and international data, Hope Rekindled captures the country's less than optimal development in all spheres from independence to date

- BUSINESSDAY

...e reasons for the disheartening
...ject poverty in the land, the worsen-
...ng unemployment rate, the retarding
...development situation and poor
...human development levels have never
...been so lucidly captured in a single
...work as this. It is a comprehensive
...exposition of the nation's underdevel-
...opment as has been induced by her
...selfish and corrupt elites. And not only
...that, it offers a convincing definition of
...the path to redemption. Hope Rekin-
...led is a handbook on Nigeria's past,
...resenta and future that will be most
...useful to the making of future public
...policy aimed at economic growth and
...development. It will be a potent force
...of good in the hands of decision
...makers and public servants of
...classes

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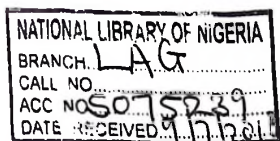
National Library of Nigeria

Hope Rekindled

*A Comprehensive Analysis of Nigeria's Nationhood
Challenges and How to Overcome Them*

by

Sam S. O. Afemikhe



Hope Rekindled:

A Comprehensive Analysis of Nigeria's Nationhood Challenges and How to Overcome Them

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Foreword

This is a most compelling and detailed study of the socio-economic condition of Nigeria; certainly the most detailed and painstaking I have ever come across. It is an outstanding and comprehensive account of 'the state of the Nation' based on massive statistical data, revealing our economic and social conditions between independence in 1960 and now. This is also the first multifaceted study of the tragic story of Nigeria, in which past and current data are subjected to rigorous analysis, giving us a clear picture of where we are today in terms of human, social, economic and political development.

The Author has set out to take us on a journey, showing where we were as a country from 1914, to independence in 1960, followed by a clear socio-economic data trail to this very moment. To put the matter on a comparative development context amongst peer Nations, the Author has also provided statistical data on Botswana, Brazil, Ghana, India, Indonesia, Malaysia, Singapore, South Africa and South Korea; countries with comparative history and levels of development when Nigeria achieved independence in 1960. According to the Author:

"Regrettably however, 54 years after independence, Nigeria has regressed whilst most of these countries have progressed tremendously; some of them leap-frogging from third to first world nations, prompting the question: how can a country like Nigeria so bountifully endowed, so sadly underperform? It is clear that the wrong cocktail of inputs, processes and systems, all poorly administered have cumulatively delivered poor outcomes. These have been carefully catalogued in this study, using the annual metrics and indicators generated by international organisations to rank the social, economic and political performance of countries worldwide"

As it is accurately stated in the preface, the Nigerian elites at all levels "have proven themselves to be selfish and short sighted and have appropriated almost all the nations' wealth for their personal benefit. In the process they have created an extractive society that does little to invest in its people, its environment or future."

In short, the Nigerian ruling class is engaged in a feeding frenzy, like locusts and the outcome is a thoroughly devastated landscape. Thus this study shows that Nigerian Federal Legislators earn \$189,500 dollars a year in a country with a GDP per capita of under \$2,000 a year, whilst the Singaporean legislator, whose country's GDP per capita is \$51,709, earns \$154,000 per annum. Indeed, in the table presented by the Author, Nigerian Legislators are the second highest earning legislators in the world after Australia, inspite of having the lowest GDP per capita on that table. In fact, the Author was restrained in

the figures he presented. The correct earning of the Federal Legislators is \$1.7 million per Senator and \$1.4 million per House of Representative member. An American Senator earns \$174,000 per annum whilst the US President earns \$400,000 a year.

This sort of absurdity that Nigeria epitomizes is revealed page after page and index after index in this book.

In virtually every index, Nigeria has the worst score amongst the peer countries in education, health, income per capita, infrastructure, power, life expectancy, employment, etc. Nigeria with the largest economy in Africa, takes the last seat. That is another example of the absurdity and contradiction that Nigeria represents; largest economy, poorest and most wretched people in Africa. As far as the Nigerian Government is concerned, all you need to do is to re-juggle the economic data, declare Nigeria the largest economy in Africa, pop champagne and go to bed satisfied. "Hurrah we've made it".

Yet, in the various yearly Human Development Indices of Countries all over the world prepared by the UNDP, World Bank and other international organisations, Nigeria is always featured at the bottom of the table. In 2010, Nigeria was number 158 out of 177 countries listed. In 2011, we were listed as No. 142 out of 169 countries. In spite of being "second largest economy in Africa" then, countries like Togo, Benin, Papua, New Guinea, Cameroon, Ghana, Bangladesh and Namibia were listed ahead of us. In 2012, we were listed as No. 153 out of 186 Countries. That is not all. There were four categories of States listed: (i) Very High, (ii) High, (iii) Medium and (iv) Low. We were placed in group (iv) – Low. Even in this low group, "the wretched of the earth", unbelievably the following States were ranked ahead of Nigeria: Congo, Solomon Island, Sao Tome and Principe, Pakistan, Angola, Myanmar (Burma), Cameroon and Tanzania. There was no significant improvement in 2013, except that we moved from number 155 to number 153. All the above listed countries were still ahead of us.

Against this background, Nigeria's claim to being the largest economy in Africa becomes a source of acute embarrassment to all of us. A "large" economy that provides no welfare for its people; that does not promote the peoples' standard of living, that is a mere figure on paper in the midst of universal misery, is like a demon taunting an already traumatised populace.

In the later chapters of the book, the Author turns to proposals for a reversal of the unfolding Nigerian tragedy and proffers solutions. Titles such as "Reversing The Economics Of Retrogression" "Grappling With Structural Defects", "Please Help, We Are Drowning", "Do The Right Things And Do Things Right" are self-revealing in this regard.

It is all well and right to give detailed prescriptions on restructuring the country socially, politically and economically and to reduce government and official draining of the Nation's resources. But above all, corruption must be tackled headlong and reduced to the very minimum, before it drags the country in an abyss. Correspondingly, Nigeria must produce a new crop of leaders who want to serve, rather than feed, loot and bleed her dry. The current problem of a value deficit culture exhibited by politicians and public servants must be eliminated and a culture of service, imbued with integrity, honour and high principles must be inculcated. Ultimately, Nigeria's only hope for progress and development lies in a dramatic improvement in the quality of leadership.

All enlightened Nigerians need to read this book in order to appreciate the degree of decay into which the country has degenerated. Perhaps this will create the motivation for us to struggle to overcome the present tragic affliction.

Professor Itse Sagay, SAN

Lagos, Nigeria

Preface

The continuous imbalance in the world's economic development has entrenched deep-seated global animosity, resentment and outrage in both the rich and poor countries. The astronomical rise in the standard of living of the developed world built on the throes of slavery, colonialism and the domineering wars of Europe that encapsulated the world in two World Wars was engendered by liberal political structures which developing countries have found very challenging to build. This has meant that the gap between the developed and developing nations of the world have continued to widen.

Whilst the West, using the Marshall Plan and democratic imperatives have, at the end of the second World War, created generally shared prosperity, this has not been the case for Asia, Africa, South and Central America. For these countries, the world wars, slavery and colonialism left a devastating effect, that have put their development to date under considerable strain. However, around the second half of the 20th century some Asian countries including South Korea, Singapore and Malaysia amongst others have managed to break the barriers to move into the league of the developed world.

However, the story has been very different for Africa. Beyond the devastating effect of slavery, which saw a sizeable proportion of its people, perhaps some of her strongest and brightest exported to Europe and the Americas to work as labourers in plantations, the crushing hammer of colonialism imposed artificial boundaries and wrongly banded together people of different ethnic background, language and religion and created fault lines of unimaginable magnitude that have continued to weigh down most of the nations of the continent. Furthermore, colonialism hindered self-determination, enthronement of purposeful leadership and impaired even development and unity.

The ripples of colonialism on such African frontline states as Nigeria are multifarious. The British had met a virgin land of sparse settlements of independent communities and from the South through the Niger Delta region, the East, the South West to the North, the colonialists conquered territory after territory to establish the Southern and Northern Protectorates of Nigeria. Even then, there was still no nation called Nigeria. The British had the primary quest to bring the richly-endowed protectorates together as one nation for the purpose of exploiting its resources as cheap raw materials.

Nigeria as a country eventually evolved through the union of the Southern and Northern Protectorates of multi-ethnic, multilingual, multi-religious and multi-cultural groups. The attainment of this historical milestone, did not offer any succour to the people as they neither had a say in it nor were they involved in the process. The struggles of the nationalists eventually yielded independence. The attainment of self-government came with the promise

that the diversity and abundant resources so created will usher in a very prosperous nation that will take its rightful place in the comity of nations. Sadly, the nation has never found its feet. It has been a history of ethnic rivalry, religious disharmony and political instability. The nation remains beset with these problems over a century after the union and 54 years after independence leaving questions begging for answers. Has the 1914 union really benefitted all the stakeholders? If no, why has this been so? What needs to be done to ensure that all stakeholders benefit reasonably and equitably from the Nigerian union?

In order to obtain realistic answers to the questions, assess Nigeria's current state of economic, political and social development and initiate an objective dialogue of the issues, this book has benchmarked the country against some of the countries that can be regarded as its closest peers of comparative history and levels of development at independence. The countries selected for this include Botswana, Brazil, Ghana, India, Indonesia, Malaysia, Singapore, South Africa and South Korea. Most of these countries are former British colonies like Nigeria and gained independence around the same time.

Similarly, most of them dot the equator, giving them similar vegetation for sustainable agriculture. Nigeria also has advantages that most of the peer countries do not have. The country is not only large and populous, it is diverse in peoples, seasons, weather, cultures, religions and vegetation. The beautiful country is not land-locked. Regrettably, however, 54 years after independence, Nigeria has regressed while most of these countries have progressed tremendously, some of them leap-frogging from third to first world nations. The progress made by these countries compared to the retardation suffered by Nigeria, have been carefully catalogued in this study, using the annual metrics and indicators generated by international organisations to rank the social, economic and political performance of countries worldwide. These reports, metrics and indicators are usually derided by Nigerian government officials as perceptions not based on realities. Other countries have accepted and used them to pursue process improvement that have heralded progress and economic development for them.

At independence in 1960, Nigeria was a land of opportunities, holding out great promise. The country ranked favourably, politically, socially and economically amongst its peers both in Africa and in the wider Commonwealth of nations. The nation's founding fathers equally rose to the occasion, steering the affairs of state on principles that engendered hope, growth and development. Political and economic indices and metrics at the time of independence showed that the country was broadly on the right path to political and economic development. Nigeria operated a parliamentary democracy and a high level of fiscal federalism as agreed at the first All Nigeria Conference in 1950 together with the principle of absolute derivation as a basis of revenue sharing. The federating regions with a strong developmental focus and healthily competing amongst themselves, had

no reason to look up to the centre for financial needs. On the contrary, it was the centre that was dependent on them. The nation's three regions, North, West and East, developed shoulder to shoulder at their own pace and people were happy, indeed very happy. Those were the good old days that people now look back on with deep nostalgia. There was rapid expansion in the country's education system, standards were high and internationally renowned. The country's healthcare system compared favourably with the very best anywhere in the world. The country was ahead of most of its peers.

Then suddenly the nation began to plummet and has now degenerated to the point where today it has not only become a laggard on all fronts including good governance, institutions, political and economic development but is now even considered, erroneously, by some, as a failed or failing state. Corruption has eaten deep into the very fabric of the nation while social services, extending from education to healthcare have collapsed; infrastructural decay is clearly apparent, poverty and unemployment are alarmingly high and rising. Every world development indicator rates Nigeria as a nation in peril, making it imperative to reflect on where the nation is coming from and ask how the country got to this sorry state. What happened to those giant strides of hope at independence, why did Nigeria's peers leave her behind, and where did the nation go wrong? The country remains almost an infant nation unable to build a pluralistic and an inclusive society after over half a century of independence.

It is widely assumed today that the seed of disunity among the nation's peoples was sowed in the amalgamation in 1914 propelled by the dual track development approach that was applied almost throughout the colonial era and compounded by the unfortunate inability of the nation to produce a true post-independence national leader to act as a rallying point. To make matters worse, the elites at all levels, have proven themselves too selfish and short-sighted and have appropriated almost all of the nation's wealth for their personal benefit. In the process they have created an extractive society that does little to invest in its people, its environment or future. The absence of true economic and political freedoms have combined with the above ills to deny the people a decent standard of living.

Many, however, believe that the problems of Nigeria are more political than economic. Currently, Nigeria operates a three-tier structure - the Federal, States and Local Governments as against the three regional structures, which the British colonial masters bequeathed to it at independence. It is posited that although Nigeria constitutionally is a federal state, it effectively operates a unitary government. It is also argued that the government at the centre is too powerful and overbearing, whilst the States and the Local Governments are weak and over dependent on the all-powerful centre with all the negative consequences that this connotes. Some argue that the presidential system is expensive to operate, largely corrupt, does not create the required accountability necessary for a developing and evolving

system to flourish. Such people advocate a return to the parliamentary system because of its transparency, accountability and the high level of information dissemination inherent in it. They buttress their point by the fact that most of Nigeria comparators listed above, including India, Malaysia, Ghana, South Africa and Singapore, among others still practice some form of parliamentary democracy, which they adopted at independence. Furthermore, in the First Republic, the regions operated at very high levels, becoming highly productive, efficient and thriving which they did competitively. They were development-oriented. Most of today's states are not only unviable, inefficient, and wasteful but are largely dependent on the centre for revenue. Analysts have dubbed the current structural arrangement a defective "feeding bottle federalism" and have called for a complete overhaul of the system or departure from it in its entirety. To others still, the structure is not completely to blame, rather they blame those operating the system for its bastardisation.

In some sense, therefore, the bane of the nation is governance. The progress that the nation desires can only come out of a system of government based on good leadership, respect for the rule of law and due process, the transparent accountability of the political leadership and government to the people as well as transparency in the operations of government. Transparency dictates that government business is carried out in an open, easy to understand and explicit manner. Rules and policies made by government are implemented and the results must be easy to verify by the citizenry as a whole. The amalgamation of 1914 brought together a rainbow collection of tribes and tongues. It was therefore envisaged that Nigeria will draw strength from its diversity with a truly balanced portfolio for the maximisation of benefits to its people. However, multi-ethnicity has instead brought suspicion, hate, massacres and fear amongst the people irrespective of their tribe or tongue. Consequently, many parts of the country are today convulsed in inter and intra-ethnic conflicts, leading to loss of lives as well as destruction of private and public property. This has led to a closer examination as to whether Nigeria is a failed state.

The road to state failure is marked by several revealing signposts which Nigeria does not suffer from. Apart from the endemic corruption and the devastation that it has caused the country in terms of social, economic and political retrogression, Nigeria is not even a failing state by any stretch of imagination. A collapsing state goes through three phases of decay and history is replete with examples of fallen nations and civilisations. These phases are social decay, cultural decay, and moral decay. Social decay is evidenced by a society's loss of economic discipline often brought about by a rising bureaucracy that instills so much "red tape" that the nation or civilisation is mired with inefficient processes. The bureaucracy's loss of power often gives way to a crisis of lawlessness. Cultural decay results in a loss of respect for tradition, a weakening of the cultural foundations of the society and an increase in materialism, as a civilisation's successes provide riches beyond what is needed. This rise in materialism relegates important factors, such as education and innovation, to

the background. Moral decay occurs as excessive materialism produces a rise in immorality. As traditions are ignored, religion is often neglected and in some cases, restricted by the civilisation's leadership. Violence increases as a civilisation's worth of human life is devalued.

This is all chilling to the spine and no right thinking citizen should wish this for his or her nation even in a dream! Sadly, Nigeria is gradually sliding towards the ills enumerated above. It is, therefore, of great importance that all men of goodwill, the nation's political and royal fathers be they from the North, South, East or West, put the facts of history that continue to hold the nation back behind them and act quickly to pull the country off the cliff where it now perilously hangs in the precipice. It is preponderant that the nation be put first, while everyone rallies round to create a strong and positive strategy devoid of ethnicity, religion, creed, greed, self-interest, class and other ills of the past, to rescue the nation from the looming danger ahead.

As things stand today, Nigeria knows her problems just as she knows the solutions but has chosen not to apply them because of the selfishness and corruption of the elites. This is very unfortunate particularly as there is a vast amount of research which suggests that organisations that succeed in implementing their knowledge and reduce the Knowing-Doing gap, always outperform those that are less successful at it. Similarly, knowledge that is actually implemented, is much more likely to be acquired from learning by doing, than from learning by listening, or even thinking. It has therefore been canvassed that entities, companies and even nations should engage in more frequent thoughtful action and spend less time, contemplating and talking about problems, particularly as taking actions will generate experience from which people can learn.

The benefits of learning by doing, which include enhancement of cumulative outcome from continuous practice, are immense, and of course accrue only to those who engage in positive action. In the Nigerian context, therefore, the issue of learning by doing, is highly instructive. It is a fact that over the years, Nigeria has failed in turning the knowledge of its problems and their related solutions into action. The military incursion into politics has prevented the people from learning by doing, in fact rudely obstructed cumulative experience and frequently too. It is postulated therefore that the failure to turn the vast knowledge of the Nigerian problem and its related solutions into action is the reason why the country continues to go round in cycles. This challenge is not peculiar to Nigeria. The ability or inability to turn knowledge into action is a general phenomenon that determines the success or failure of corporations and even nations. It can be a game changer and Nigeria should not ignore it.

If Nigeria, in the condition where almost nothing works, can grow economically to have the largest economy in Africa, then the height to be attained when the country moves positively in the right direction can only be imagined. The trillion-dollar economy is not

far away. The leadership must enthrone economic freedom embedded in the rule of law (property rights and freedom from corruption); create open markets (trade, investment and financial freedoms); create regulatory efficiency (business, labour and monetary freedoms), whilst ensuring that there is a “small and smart” government with targeted spending in addition to high fiscal prudence. The leadership should foster competitiveness politically and economically by creating institutions, infrastructure, health and primary educational opportunities, whilst enhancing people’s skills to fit into today’s technological world and be able to create enhanced innovativeness. Poverty, like hunger, does not know south or north, east or west. If the truth must be told, Nigeria carries a heavy burden that only a truly plural democracy, freedom, fairness and social justice can heal. And until this burden is lightened, genuine dividends of democracy of peace and prosperity will continue to elude the nation.

Finally, two key issues are relevant in this book is not meant to be a criticism of any government or persons in or out of government but to highlight the issues facing the nation and proffer solutions that will strengthen the process of learning by doing and thereby enhance and sustain political, social and economic development of the country and position it to take its rightful place amongst its peers. Secondly, this book has been written to cover most of the challenges facing Nigeria as a nation with the panacea given as much as possible for each and every one. A voluminous book with over 800 pages in the process has been pieced together. The idea of breaking the book into two or three volumes was initially appealing but this would likely impede the flow of thought. The next best thing was preferred which is to organise the book into four broad sections with the understanding that time-pressed readers can take a glance and flip through as their interest dictate, the book, being modular with each chapter, standing on its own. The four sections are:

Section 1: A nation on its knees - This benchmarks Nigeria with other comparators and shows how the country has fallen behind its peers **Section 2: Reversing economics of retrogression** - This reviews the economic challenges that face the nation and concludes that economic freedom is the way to build a robust inclusive economy **Section 3: Grappling with structural defects** traces the political history of the nation, governance deficiencies and, the underlying political as well as administrative corruption that it has created across board and concludes that contrary to widely held views, Nigeria is neither a failed nor a failing state. **Section 4: Rebirth of a nation** outlines the key steps that are required to be taken to make Nigeria the giant of Africa that it truly is. From start to finish, the ideas in the book are built on each other. It is my deepest wish that it inspires and not only becomes useful to everyone who picks it up to read but induces the synergy to address the many ills that have befallen our dear motherland, Nigeria.

Sam S. O. Afemikhe

Acknowledgment

Despite suffering serial disappointments, Nigerians are generally a patriotic people. A sure sign of this patriotism is their degree of passion in discussing their hopes for the country. This is a recurring topic anywhere two or more Nigerians are gathered – whether in offices, markets, football stadia or on the streets. Nigerians hope for a country where the youth can get good education, secure employment with decent pay, have access to basic healthcare and can fairly expect to live to a ripe old age in peace. I am but another participant in these discussions and hopes, and have put some of these thoughts in this book. This book is a documented acknowledgment of the efforts made daily by millions of Nigerians, in working, hoping and praying day and night to turn this country around.

My over-arching ambition was to construct a comprehensive document that assesses the country's challenges and put its potential solutions side by side, in an effort to provide fuel for the dialogue that could metamorphose into a tipping point for change. Not a lot came out of this idea until my Personal Assistant – Ifeoluwa Akala, a graduate of English Language – commenced work with me in January, 2014. I told her that one of her deliverables would be how well she supports me to write the books that I have piled up in my restless mind. Knowing that we will require support in research for the book, we called in a veteran journalist friend of mine – Mr Godwin Ifijeh who was immediately convinced that it was a good project and successive drafts of the outline ensued from which the title, *Nigeria: Hope Rekindled* was established. The outcome of this book is therefore a direct result of the dedication, effort, dexterity and focus of Ife (as she likes to be called) and Godwin. I am therefore deeply indebted to this duo who continued to work until the last minute to ensure that all aspects of the book come out perfectly.

The outline of the book, despite the shaping and reshaping showed that we will have a huge book to construct in a few months as the idea initially, was to put the book in the hands of the delegates to the 2014 National Conference. It became clear that there was a vast body of data to be analysed and a considerable volume of research to be carried out. We set up a team comprising Godwin Ifijeh, Godwin Ogene, Rasaan Kasali, Samson Kadiri, Aigbodesi Igiekhume, Akala Ifeoluwa and Abolaji Babayale to assist on this. This team, which was christened Project Hope, was a true wisdom of the crowd in all respect. Each member brought a special and different perspective into each topic. The members of the team worked tirelessly to gather data, read and edit the written chapters. Ife and Aigbodesi became the soul of the project and the driving force of the team and quickly earned the name Project Hope Angels. Ife and Aigbodesi worked weekends and even late into the night to deliver on their targets and promises. My sincere and heartfelt gratitude go to them and the entire Project Hope Team, who literally did double work over and above their normal official work to put the book together in less than seven months. Without

their efforts and inputs, this book would have taken years to write. I was deeply humbled by the willingness of this team to give their best and their all. I do deeply appreciate the efforts and the contributions of each and every member of the team.

I also thank my brother, Chief Charles Adogah (SAN) for carefully going through the first draft editing and giving advice regarding how to sharpen the focus of the book. Double Chief, as we call him, is difficult to please where literary work is concerned. But he turned out the biggest fan of the book, giving the Project Hope effort a surprisingly big and early endorsement. In the course of concluding the book, it was considered necessary that the end of the book reflects the optimism that resides deep in every Nigerian and propels each and every one to sternly hope that Nigeria, the country that they all love very deeply, in spite of the difficulties and challenges of yesterday and today, will rise again. We did not have to scratch our heads for too long as Olise Yadi, who was assisting Chief Adogah with the editing of the book in London, came up with a perfect analogy that Nigeria will still rise again *like a Phoenix from the ashes*, a narrative in Greek mythology that portrays the Phoenix as a long-lived bird that is cyclically regenerated or reborn. Similarly, Mary-Anne Ikoku gave invaluable support to the project by applying her sharp mind not only in the final editing of the book but also in advising on how best to ensure that the book is reader-friendly. For the expert advice and support given by all these subject matter experts, I am highly appreciative.

I am always indebted to my immediate family that regularly has to get by without my company when I hibernate for months to put my thoughts together in a book. This deprivation is getting more pronounced as the family gets bigger. I salute the clan comprising Sam (Jr), Greg, Kingsley, Eunice, Yosola together with my three lovely grandchildren. On May 31st, 2014, in the middle of the construction of this book, my daughter Geraldine got married to her heartthrob Celestine Igbenoba, further enlarging the family. I am most grateful for the prayers, well wishes and support that all the members of the family continue to give to me. In this regard, Kingsley (Lion heart) deserves particular mention as he takes time off his very busy banking schedule to read my sketches, and offer suggestions. I am forever grateful to this team of home front supporters.

My sincere and heartfelt gratitude also goes to those at my Practice who routinely support my efforts in all directions. These are Tony Iniomoh, Abiodun Idris, Imuentiyan Aghimien, Wunmi Anjorin and Sanni Abubakar. Sunday Ekhar, and Mike Idahor were very supportive in the provision of the logistics to support this project. I also thank the 'Surulere gang', Andrew Ogene-Okumoya, Pastor Kehinde Afuye, Jeremiah Odeniyi, Oby Ejiofor, Ronke Enumah, Samu Afemikhe, Akin Alabi and Jerry Afemikhe for their continued moral support throughout the course of this work. These people, and others too many to list here, are a constant support in the course and efforts towards our progress.

I also thank Mark Haselau, Director Turner & Townsend, South Africa and a very good friend and colleague of mine. Mark, always ready to help people navigate difficult situations, gladly took on this task which I know must have caused him some serious inconvenience given his very busy schedule.

My mentors and friends, Late Chief G. Aret Adams and Alhaji Muhammed Jibo (MFR), require very special thanks for the values that they imbibed in me. I continue to appreciate the echoes of advice from Late Chief G. Aret Adams, who slept in the Lord on 7th August, 2002. His words of wisdom and encouragement continue to guide my steps, actions and efforts. May his kind and gentle soul continue to rest in the Lord in perfect peace (Amen). Alhaji Jibo even in his ripe old age (now above 85 years) continues to give me invaluable lectures on the virtues of integrity, dedication to service, hard work and focus, wise words of counsel that keep me in the straight and narrow.

Most importantly, I am always highly indebted to my wife, Evelyn, who is at the very heart of my life and provides steadfast support, and prayers that continue to propel me to exceed all my expectations. She is a jewel of inestimable value to me and our family.

The Project Hope Team contributed immensely to the outcome and success of this book. Nevertheless, every word written in this book flows directly and indirectly from me. I therefore take full and personal responsibility for the entire book.

Finally, I am deeply mindful that it is Almighty God that makes all things possible. Ultimately, therefore, all the glory should go to Him.

Sam. S. O. Afemikhe

Abbreviation and Acronyms

ACN	-	Action Congress of Nigeria
AFDB	-	African Development Bank
AHSTF	-	Alberta Heritage Savings Trust Fund
AIG	-	Assistant Inspector General
ANC	-	African National Congress
ANPP	-	All Nigeria Peoples Party
APC	-	All Peoples Congress
APGA	-	All Peoples Grand Alliance
AQIM	-	Al-Qaeda in the Islamic Maghreb
ASCSN	-	Association of Senior Civil Servants of Nigeria
AT&P	-	African Timber and Plywood Factory
ATM	-	Automated Teller Machines
ATP	-	African Timber and Plywood Factory
BBOE	-	Billion Barrels of Oil
BJP	-	Bono Juancito Pinto
BRICS	-	Brazil, Russia, India, China and South Africa
CAC	-	Culture Advocates Caucus
CAST	-	Conflict Assessment Software Tool
CATI	-	Computer Assisted Telephone Interviewing
CBN	-	Central Bank of Nigeria
CCB	-	Code of Conduct Bureau
CCT	-	Conditional Cash Transfer
CDC	-	Constitution Drafting Committee
CEO	-	Chief Executive Officer
CFC	-	Chlorofluorocarbon
CGR	-	Colonial Government Report
CIA	-	Central Intelligence Agency
CIFP	-	Country Indicators for Foreign Policy
CIPs	-	Core Industrial Projects

CNH	-	Comisión Nacional de Hidrocarburos
COMA	-	Coalition for Militant Action
COMD	-	Crude Oil Marketing Department
CPA	-	Criminal Procedure Act
CPC	-	Congress for Progressive Change
CPC	-	Criminal Procedure Code
CPI	-	Consumer Pricing Index
CPI	-	Corruption Perception Index
CPIB	-	Corrupt Practices Investigation Bureau
CRC	-	Constitution Review Committee
CRE	-	Comisión Reguladora de Energía
CRIN	-	Cocoa Research Institute of Nigeria
CRISE	-	Centre for Research on Inequality, Human Security and Ethnicity
CSIS	-	Centre for Strategic and International Studies
DAC	-	Development Assistance Committee
DAC	-	Development Assistance Committee
DFID	-	Department for International Development
DFRRI	-	Directorate for Food, Roads, and Rural infrastructure
DHS	-	Demographic Health Survey
DMZ	-	Demilitarized Zone
DOTS	-	Directly Observed Therapy Shortcourse
DPA	-	Distributive Pool Account
DPR	-	Department of Petroleum Resources
DRPC	-	Development Research and Project Centre
DSS	-	Directorate of State Security
DTP vaccine	-	Diphtheria, Tetanus and Pertussis vaccine
EFCC	-	Economic and Financial Crimes Commission
EITI	-	The Extractive Industries Transparency Initiative
EPZ	-	Export Processing Zone
ERNWACA	-	Education Research Network for West and Central Africa

EU	-	European Union
FAO	-	Food and Agriculture Organisation
FCE	-	Federal College of Education
FCT	-	Federal Capital Territory
FDI	-	Foreign Direct Investment
FEC	-	Federal Executive Council
FEM	-	Foreign Exchange Market
FIFA	-	Fédération Internationale de Football Association
FIIRO	-	Federal Institute of Industrial Research, Oshodi
FIRS	-	Federal Inland Revenue Service
FIU	-	Financial Intelligence Unit
FJSC	-	Federal Judicial Service Commission
FOI	-	Freedom of Information
FRIN	-	Forestry Research Institute of Nigeria
FRSC	-	Federal Road Safety Corp
FSI	-	Failed States Index
GCB	-	Global Corruption Barometer
GCI	-	Global Competiveness Index
GDP	-	Gross Domestic Product
GE	-	General Electric
GNH	-	Gross National Happiness
GNI	-	Gross National Income
GNP	-	Gross National Product
GPI	-	Global Peace Index
GTD	-	The Global Terrorism Database
GTI	-	The Global Terrorism Index
HDI	-	Human Development Index
HIPC	-	Heavily Indebted Poor Countries
HIV	-	Human Immunodeficiency Virus
HNLSS	-	Harmonised Nigeria Living Standard Survey

IBRD	-	International Bank for Reconstruction and Development
ICPC	-	Independent Corrupt Practices Commission
ICRC	-	Infrastructure Concession and Regulatory Commission
ICT	-	Information and Communication Technologies
IEF	-	Index of Economic Freedom
IEP	-	Institute for Economics and Peace
IFC	-	International Finance Corporation
IGP	-	Inspector-General of Police
IGR	-	Internally Generated Revenue
IISTE	-	International Institute for Science, Technology and Education
ILO	-	International Labour Organisation
IMD	-	Institute for Management Development
IMF	-	International Monetary Fund
IMR	-	Infant Mortality Rate
INC	-	Ijaw National Congress
INEC	-	Independent National Electoral Commission
IPPIS	-	Integrated Personnel Payroll Information System
ISIS	-	Islamic State in Iraq and Greater Syria
JAMB	-	Joint Admissions and Matriculation Board Examination
KMZ	-	Ku-Maloob-Zaap
KPCS	-	Kimberly Process Certification Scheme
LASTMA	-	Lagos State Traffic Management Authority
LCCI	-	Lagos Chamber of Commerce and Industry
LDC	-	Least Developed Countries
LGA	-	Local Government Area
MAMSER	-	Mass Mobilization for Social Justice and Economic Recovery
MAN	-	Manufacturers Association of Nigeria
MAS	-	Monetary Authority of Singapore
MASSOB	-	Movement for the Actualisation of the Sovereign State of Biafra
MDGs	-	Millennium Development Goals

MEND	-	Movement for the Emancipation of the Niger Delta
MINT	-	Mexico, Indonesia, Nigeria and Turkey
MNCs	-	Multi-National Corporations
MOSOP	-	Movement for the Survival of the Ogoni People
MRA	-	Media Rights Agenda
MUJAO	-	Movement for Unity and Jihad in West Africa
N/A	-	Not Applicable
NACCIMA	-	Nigerian Chamber of Commerce Mines Industry and Agriculture
NASRDA	-	Nigerian Space Research Development Agency
NBA	-	Nigerian Bar Association
NBS	-	Nigeria Bureau of Statistics
NCCN	-	National Competitiveness Council of Nigeria
NCNC	-	National Council of Nigeria and the Cameroon
NCOs	-	Non-Commissioned Officers
NDDC	-	Niger Delta Development Commission
NDE	-	National Directorate of Employment
NDLA	-	Niger Delta Liberation Army
NDPHC	-	Niger Delta Power Holding Company Limited
NDPVF	-	Niger Delta Peoples Volunteer Force
NDV	-	Niger Delta Vigilantes
NEEDS	-	National Economic Empowerment and Development Strategy
NEITI	-	The Nigerian Extractive Industry Transparency Initiative
NEPA	-	National Electric Power Authority
NEPB	-	Nigerian Enterprises Promotion Board
NEPC	-	Nigerian Export Promotion Council's
NEPU	-	Northern Elements Progressive Union
NEXIM	-	Nigerian Export Promotion Council
NGO	-	Non-Governmental Organisation
NHIS	-	National Health Insurance Scheme
NIALS	-	Nigerian Institute of Advanced Legal Studies

NIDB	-	Nigerian Industrial Development Bank
NIFOR	-	Nigerian Institute for Oil Palm Research
Nig Com Sat	-	Nigerian Communications Satellite Limited
NIPC	-	Nigerian Investment Promotion Council
NIPOST	-	Nigerian Postal Service
NIPP	-	National Integrated Power Project
NIRP	-	Nigeria Industrial Revolution Plan
NITEL	-	Nigerian Telecommunications Limited
NJC	-	National Judicial Council
NNDP	-	Nigerian National Democratic Party
NNFC	-	Nigeria National Freight Company
NNSC	-	Nigeria National Supply Company
NOIP	-	National Office of Industrial Property
NPC	-	National Planning Commission
NPC	-	Northern People's Congress
NPE	-	National Policy on Education
NPF	-	Nigeria Police Force
NPIM	-	National Petroleum Investment Management
NPN	-	National Party of Nigeria
NPRC	-	National Political Reform Conference
NRC	-	Natural Resources Charter
NRCRI	-	National Road Corps Research institute
NSO	-	National Security Organisation
NSPM	-	Nigeria Security Printing and Minting
NYM	-	National Youth Movement
NYSC	-	National Youth Service Corps
ODA	-	Official Development Assistance
ODP	-	Ozone Depletion Potential
OECD	-	Organisation for Economic Cooperation and Development
OFN	-	Operation Feed the Nation

OPC	-	Odua People's Congress
OPEC	-	Organisation of Petroleum Exporting Countries
PAC	-	Presidential Advisory Committee
PAM	-	Public Accountability Mechanisms
PAN	-	Partido Acción Nacional
PAP	-	People's Action Party
PAYE	-	Pay As You Earn
PCA	-	President of the Court of Appeal
PDP	-	People's Democratic Party
PEDEP	-	Peace and Development Projects
PEM	-	Public Expenditure Management
PEMEX	-	Petróleos Mexicanos
PHCN	-	Power Holding Company of Nigeria
PITA	-	Personal Income Tax Act
PMQ	-	Prime Minister Question
PPIB	-	Prices, Productivity and Incomes Board
PPP	-	Public Private Partnership
PPP	-	Purchasing Power Parity
PPT	-	Petroleum Profit Tax
PRI	-	Partido Revolucionario Institucional
PRODA	-	Project Development Agency
PWYP	-	Publish What You Pay Campaign
R&D	-	Research and Development
RMAFC	-	Revenue Mobilisation Allocation and Fiscal Commission
RMRDC	-	Raw Materials Research and Development Council
ROI	-	Returns on Investment
RRIN	-	Rubber Research Institute of Nigeria
RRT	-	Resource Revenue Transparency
RWAFF	-	Royal West Africa Frontier Force
SAN	-	Senior Advocate of Nigeria

SAP	-	Structural Adjustment Programme
SENER	-	Secretaría de Energía
SERVICOM	-	Service Compact (Agreement)
SFEM	-	Second-tier Foreign Exchange Market
SMC	-	Supreme Military Council
SMEs	-	Small and Medium Scale Enterprise
SMS	-	Short Message services
SNCF	-	Sistema Nacional de Coordinación Fiscal
SPV	-	Special Purpose Vehicle
SSMEs	-	Start-up, Small and Medium Enterprises
START	-	Study of Terrorism and Responses to Terrorism
STEM	-	Science, Technology, Engineering and Mathematics
TCPT	-	Technical Committee on Privatization and Commercialisation
TI	-	Transparency International
TVET	-	Technical and Vocational Education and Training
UBE	-	Universal Basic Education
UDHR	-	United Nations Universal Declaration of Human Rights
UMNO	-	United Malays National Organisation
UNAIDS	-	United Nations & AIDS
UNDP	-	United Nations Development Programme
UNESCO	-	United Nations Educational, Scientific, and Cultural Organisation
UNICEF	-	United Nations International Children's Emergency Fund
UNODC	-	United Nations Office on Drugs and Crime
UPE	-	Universal Primary Education
UPN	-	Unity Party of Nigeria
USFK	-	United States Forces Korea
USIP	-	United States Institute of Peace)
VAT	-	Value-added Tax
VFM	-	Value For Money
WAEC	-	West African Examination Council

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WAI	-	War Against Indiscipline
WAI-C	-	War Against Indiscipline And Corruption
WASCE	-	West African School Certificate Examination
WASU	-	West African Students Union
WDI	-	World Development Indicators
WHO	-	World Health Organisation
WHT	-	Withholding Tax

Dedication

This book is dedicated to the loving memory of
my mentor and friend,

Chief G. Aret Adams (FNMGS) now of revered memory
who left me an heritage of dedication
and service to our Fatherland
and
my affectionate wife

Evelyn

For her gentle and caring spirit in
putting up with my long hours of absence,
single-minded preoccupation and necessary focus required
for the execution of this project

and

of course, the long-suffering masses of Nigeria,
who desperately deserve economic pluralism,
inclusiveness and empowerment.

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PART

1

A nation on its knees

“

Poor people do not just suffer from a lack of income alone. Poverty has multiple dimensions, with deficits to the poor in many ways, including health and education.... Inequality reduces the pace of human development and in some cases may even prevent it entirely.

”



In Chapter 1, ten comparator nations were selected against which to benchmark Nigeria's performance from Independence in 1960 to 2014 (which incidentally is the centenary of the nation's amalgamation as one country). Nigeria shows clear similarity with the comparator nations in terms of multi-ethnic, multi-lingual and multi-religious diversities, and dots the equator as almost all of them (except a few). It also boasts of similar vegetation with them, and even in some respect, having an advantage of being endowed with abundant human and natural resources and thus showed much promise at independence in 1960. Regrettably, however, Nigeria has abysmally lagged behind its peers. This retrogression required a detailed study and analyses.

Following closely to that in Chapter 2, Nigeria's retrogression in terms of low human development index is extensively examined as it pertains to high population growth, massive inequalities, poverty, unemployment, poor education and healthcare, among others. High recurrent expenditure, bloated civil service and high cost of governance are identified as responsible for the woes of the nation despite the rebasing in 2014 of its economy, which saw it acquire the bragging right as the largest economy in Africa. The low GDP per capita shows that the benefit of that growth is not evenly spread, a challenge government policies need to address.

In Chapter 3, regional inequalities that are masked by national averages is discussed and a "Marshal Plan" is advocated to ensure that no one is left behind.



CHAPTER ONE

The sleeping giant

Your vision will become clear only when you can look into your own heart. Who looks outside, dreams; who looks inside, awakes.

– Carl Gustav Jung

- Untapped potentials
- Nigeria – The most populous black nation on earth
- Botswana – The place of Tswana
- Brazil – The land of carnival and soccer
- Ghana – The gold coast
- India – The sub-continent
- Indonesia – The land of many islands
- Malaysia - The sea turtle, the hibiscus flower, and the orangutan
- Singapore - The city of the lion
- South Africa - The land of the walk to freedom
- South Korea - Land of morning calm
- Should birds of the same feather not flock together?
- Unhappy new years

The sleeping giant

Politicians, civil servants and emergency contractors who take more out of the common purse than they put in, get richer whilst the poor get poorer, resulting in a wider gulf between the two.

chaos, injustice and poverty?

As the centenary anniversary of the amalgamation of the Northern and Southern Protectorates into one country (that act of union that forever altered and joined in common fate the teeming tribes and people in the geographical area called Nigeria) passes by, it becomes necessary to ponder why this great nation is still a laggard in the comity of nations on almost every metric of human development and economic endeavour. Why is this country, endowed with so much potential and abundant human and natural resources, associated with

It all could have been so different. In the 1950s, the country compared well with many

sister countries that were positioned like it, astride the equator. The countries were full of bright, educated young men (and women), fighting for freedom from colonialism and their sovereign voice in the Family of Man. Countries such as Malaysia, Indonesia and Singapore, who were then broadly at the same level of development as Nigeria, have long surged ahead and transformed into developed nations. These countries became the Asian tigers as they were called in the early and mid-90s – a term that characterised their immense economic growth and development in almost all spheres and measures of excellence.

The country is still ranked as a developing country with many indices of development abysmally looking downwards and getting lower.

Truly, the labours of their heroes past have not been in vain. Sadly, the same cannot be said for Nigeria. The country is still ranked as a developing country with many indices of development abysmally looking downwards and getting lower. To all effects, the education system has collapsed, the hospitals are more harbingers of death than solace due to the lack of equipment and the required resources to run them, and the infrastructures are deteriorating. Today, the young men and women are barely educated nor skilled and as a consequence, embark on crime as a means of survival.

Aside becoming tools in the hands of mischief-makers, they also constitute a safety and security challenge to the nation. Some external commentators have called Nigeria a failed or failing state. Nigerians know that the public school systems have failed, the transportation system is inadequate, and the power supply is unstable which in itself is indicative of severe challenges faced with development because no nation can develop without constant energy supply.

The citizens go to bed with one eye closed as they grapple daily with a failed security system. Jama'atul Ah lus Sunnah Lidda'Awati Wal Jihad (Brethren united in the pursuit of holy war) popularly known as Boko Haram (Western education is forbidden) has ravaged the North Eastern states, whilst cattle rustlers have taken over the North Central states stealing cattle from farms and kidnapping the women, who in worse cases are never returned. Kidnappers have taken over the South demanding mind-boggling sums from innocent victims abducted even in broad day light. Niger Delta militancy, which metamorphosed into crude oil theft, poses a challenge of its own. Manufacturing enterprises have significantly downsized, creating a massive army of unemployed youths – both graduates and non-graduates. The hope for a re-energized middle class has faded, creating a situation where the rich who are mainly politicians, civil servants and emergency contractors who take more out of the common purse than they put in, get richer whilst the poor get poorer, resulting in a wider gulf between the two. Surely, this was not the dream the founding fathers envisioned at independence. Theirs was a dream of prosperity,

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one that initially was steadily becoming a reality until the entire situation degenerated.

At this juncture in the nation's journey, it is necessary to ask where things went wrong and what can be done to reverse this trend and begin to build the Nigeria that is the

It is because many do not love Nigeria, do not feel proud of it and do not feel bound by it that they feel no guilt from looting the national treasury.

dream of all. A number of conjectures have been projected as being the factors behind this sharp reversal of the dream into a nightmare. One recurring debate has been the benefit or otherwise of the diversity of the Nigerian nation-state. It is tempting to blame the country's diversity – the numerous ethnic groups or the North and South dichotomy – as making it impossible for Nigerians to pull together in one direction. It is a firm belief that the diversity of the Nigerian people is a source of strength and not a weakness.

The different groups bring different perspectives and strengths to the table, making the whole stronger. Malaysia has multiple races and has managed well. Others have fingered religious differences as the culprit, pointing out that the predominantly Islamic North and the Christian South can never work in harmony and pull towards political and economic unity. This was not always the case. The Nigerian nationalists did not consider or make tribe and religion a reason for division and regression. This postulation – that tribal and religious differences make a peaceful cohabitation impossible – is grossly inaccurate and simply advanced by those who use it to ignite and fuel the flames of discord. Tribe and religion have not at any time prevented deep friendships (for personal evil or public good) amongst the people. It is unfathomable why the people of Nigeria, who are all of the same race, cannot do the same.

All religions preach peace and brotherhood. Ethnicity and religion should be discounted in the search for genuine solution to the Nigeria problem. Another cog in the wheel of national development is corruption. Transparency International consistently ranks Nigeria as one of the most corrupt countries in the world. Consequently, corruption

The basic necessities of life elude the average Nigerian, with more than 80% of the people living below the poverty line.

has been held as a culprit that retards the growth and development of the nation. Whilst it is agreed that corruption has wreaked havoc on the psyche of the people, and led to a fundamental change in the way people see the concept of effort and reward, it is posited that corruption particularly in its horrible form could be considered the major cause as well as symptom and effect of the malaise that befalls Nigeria. It is because many do not love Nigeria, do not feel proud of it and do not feel bound by

it that they feel no guilt from looting the national treasury.

Everybody now knows that Nigeria is not working or at least is not working as it should. But how bad has the situation become? Some Nigerians, who were old enough at the time of independence in October 1960 up to the end of the civil war in 1970 and are still alive, can identify with the nostalgia of those good old days to what there is today. The mental picture of the two periods is now too blurred to galvanise this group of people and the generation below them into action.

The best way to positively encourage a system change or increase productivity is to reward success. Great strides can be made only when success is rewarded and failure is chastised

Some of those too young to remember the beautiful sixties and seventies who have had the opportunity to travel overseas, come back with stories of how they enjoyed uninterrupted electricity supply, how all the streets are paved and smooth, how the trains run on time, how a three-year degree programme is actually completed in three years with very good academic qualification obtained (in comparison to the seven to eight years it takes to complete a four-year degree programme in Nigeria that even leaves the graduates half baked). They talk of the abundant employment opportunities available to the citizens in comparison to the unemployment that abounds here. This group can make a fair comparison and establish how bad things have become from a mental picture of how things should be. All in all, the comparison that these "been tos" make, are subjective and not really based on objective benchmarks. Without genuine benchmarks grounded in verifiable metrics, these comparisons are dismissed by Nigeria's leaders as either unfair or unrealistic. They point out that Nigeria is the giant of Africa and that one in every four black person in the world is a Nigerian. Yet, they cannot show concrete metrics that indicate that the country has plans to embark on the journey of development not to talk of making progress in the chosen direction, particularly when the basic necessities of life elude the average Nigerian, with more than 80% of the people living below the poverty line.

It becomes necessary therefore to look in the mirror and truly see how bad things have become. It can only be imagined that until a comprehensive self-examination is undertaken, the argument that change is absolutely necessary will not be persuasive enough. There is the need to measure where Nigeria is, and benchmark this against its peers in order to see the stark reality for what it is. Measurement is therefore imperative so that people can all see the same thing.

Measurement of performance has true effects. Firstly, it should be borne in mind that what gets measured gets done. When you measure, people respond to the results obtained. Measurement is, therefore, a call to action, particularly in a system where best

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achievements are rewarded. Furthermore, the simple act of defining measures helps to enlighten and clarify the goals. A definition of the expected outcome and the expected benchmark to measure those outcomes, make people begin to ask the right questions, to redefine the problem they are trying to solve, and to diagnose the problem positively. Secondly, if you do not measure results, you cannot distinguish success from failure.

People lose sight of the objective and as such fall back on subjective and glib talk. Once the metrics are established, they can be used to hold the leaders to account. Furthermore, it is vital to be able to distinguish success from failure. If you cannot identify success, you cannot reward it. The best way to positively encourage a system change or increase productivity is to reward success. Great strides can be made only when success is rewarded and failure is chastised. If you cannot measure success but can only talk about it subjectively, the resultant success cannot be rewarded and under such circumstance, failure will be entrenched.

Rewarding success is common sense. It also needs to be common practice otherwise all that will be rewarded is failure. For example, currently in the public sector, there is an automatic progression through promotions and salary increments without tangible evidence of achievement or productivity. Most enterprising people would like to feel they have been rewarded in their promotions or increments for objectives achieved rather than having them given routinely for long service. Rewarding failure creates a bizarre incentive as this encourages people to accept the status quo instead of challenging it. Most importantly, if you cannot identify success, you cannot learn from it. Countries and entities improve by continuous learning and process improvement. Those moving forward constantly try new things to find out what works and what does not, thereby learning from experience. But if an entity, be it an organisation or a country does not measure results and cannot identify success when it happens, it certainly cannot learn from same. Without feedback on outcomes, innovation is often stillborn.

Peter Drucker stated that the greatest opportunity for innovation in business (in this case managing a country is equivalent to managing a big business), is "unexpected success"¹. At any rate, if you cannot produce and demonstrate results, you cannot win public support. There is usually great apathy about a government or a leader that cannot demonstrate results. Such a government or leader is considered ineffective and is thought to be devoid of the ingredients of leadership - purpose, direction and meaning.

In spite of all that have been said, measuring the performance of a nation or an entity is

1 Drucker, Peter F. (1985). *Innovative and Entrepreneurship: Practice and Principles*. Harper & Row, Publishers, Inc.

not an end in itself. It needs to be extended to benchmarking if the metrics generated are to be usefully and effectively applied. However, clarity is required regarding what is meant by benchmarking. According to Dr. Mohamed Zairi, Competitive Benchmarking (1988), benchmarking is “anything taken or used as a point of reference or comparison”. On the other hand, Sylvia Codling, Best Practice Benchmarking (1992), explained that “benchmarking is a rational, disciplined approach to continuous improvement which helps identify, compare with and emulate best practice wherever it occurs”. The Royal Mail, UK (1992) described benchmarking as “a structural process for learning from the practice of others, internally or externally, who are leaders in a field or with whom legitimate comparisons can be made”.

Rewarding failure creates a bizarre incentive as this encourages people to accept the status quo instead of challenging it. Most importantly, if you cannot identify success, you cannot learn from it.

From the above definitions, it is clear that benchmarking is very important because it facilitates continuous improvement, stimulates process efficiency and effectiveness, adds a much needed external perspective to an entity’s internal processes and helps it to focus on what really matters. The rationale for benchmarking is clear. The aim of an entity is to survive and grow. Consequently, the examination of the efficiency of those processes that help the entity to survive and flourish should be an important aspect to focus on regularly. Benchmarking extends historical performance analysis further down the line to point out how the future success of the entity can be ensured as it directs it on the path of learning lessons and process improvement. The reasons to benchmark therefore can be recapped as follows:

1) To establish differences

Benchmarking enables the establishment of an internal standard so that it can be compared with its peers quickly and efficiently. Benchmarking therefore enables the catalyst to examine the processes that contribute to giving peers the noted advantage or differential.

2) To set the highest possible standard

Continuous opportunity to improve is provided by knowledge of best processes. Benchmarking makes this possible by setting quality standards at the level of the very best, and so entities aim for leading-edge results.

3) To learn from Best in Class (BIC)

Benchmarking implementation involves comparing what others do right and well

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with that which others do not do well. This will entail reviewing processes against best-in-class comparators to see what elements to adopt that will produce the desired improvements. In some cases, the entire process could be adopted to replace an existing process. At other times, it could just be a part thereof, an outline, concept or an adaptation.

From the above, it is clear that for developing countries to make the desired rapid progress, they must learn to benchmark their performance against that of successful peers. Getting on the benchmarking bandwagon is absolutely necessary if they are ever to improve their processes, enhance productivity and obtain value for money in the utilization of their scarce resources. They must push towards meeting the process qualities and standards applied by the best-in-class and make efforts to continuously match and even beat them. It is not an impossible dream. It is possible but they have to start from somewhere. According to a Chinese proverb "a journey of 1000-miles begins with the first step." Starting down the road to successful benchmarking means asking the fundamental questions of, "what is wrong with what we do, how can we do it better, how do we change and what will it cost?"

It is clear that for developing countries to make the desired rapid progress, they must learn to benchmark their performance against that of successful peers.

In order for Nigeria to truly look at itself in the mirror and move away from a subjective to a realistic dialogue of where it stands in the comity of nations, it must regularly measure and benchmark itself against its peers. To this end, the following countries, Botswana, Brazil, Ghana, India, Indonesia, Malaysia, Singapore, South Africa and South Korea, have been benchmarked against Nigeria. The countries have many similarities with Nigeria.

To this end, the following countries, Botswana, Brazil, Ghana, India, Indonesia, Malaysia, Singapore, South Africa and South Korea, have been benchmarked against Nigeria.

Most of them were British colonies, are multi ethnic and multi religious. Apart from South Africa (which has been chosen because it is best-in-class in Africa and therefore the nation to beat), all the countries are in the tropics and had an agricultural based economy at independence. It is unbelievable that at independence, Nigeria was either on the same level with these countries or even better than them but today the story is very different. The metrics applied in the review reveal an excessively high degree of difference which is shocking.

There are many international organisations that carry out annual measurement of countries' social, economic and political performance and rank them accordingly. The metrics generated by these international organisations are regularly quoted in the national press where they elicit debates about how poorly Nigeria is faring. It is important that these

metrics are comprehensively discussed and applied to benchmark Nigeria's performance to bring home very clearly to all, that Nigeria has not only fallen short of expectations but is far from being the giant of Africa which title it should wear with ready ease given its population and endowed resources. Some of these indices are:

- Human Development Index 2013 by United Nations Development Programme (UNDP)
- The Global Competiveness Report 2013-2014 by the World Economic Forum
- World Development Indicators 2012 by International Bank for Reconstruction and Development/The World Bank
- World Governance Indicators 2012 by International Bank for Reconstruction and Development/The World Bank
- Economic Freedom of the World Annual Report 2013
- IMF World Economic Outlook 2013
- GDP Statistics by World Bank
- Doing Business by International Bank for Reconstruction and Development/The World Bank
- Corruption Perception Index 2013 by Transparency International
- Corruption Indices by Enterprise Surveys
- Failed States Index by The Centre for Peace

The metrics generated by these organisations have been comprehensively applied to benchmark Nigeria's social, economic and political performance with that of the following countries: Botswana, Brazil, Ghana, India, Indonesia, Malaysia, Singapore, South Africa and South Korea. Indonesia, Malaysia and South Korea are among the Asia tigers whose economic miracle in transforming their countries in the last four decades is worthy of emulation. Brazil and India were in the last decade listed amongst the BRICS nations (Brazil, Russia, India, China and South Africa). These are developing or newly industrialized countries distinguished by their large fast growing economies.

It is important to see why they were so listed and most importantly highlight the lessons that Nigeria can learn from them. South Africa, Ghana and Botswana are usually cited as the best in the African continent. As best-in-class, it is necessary to see how Nigeria fares against them, highlight the performance gap, see what they do well that Nigeria is not necessarily doing well, see whether the suboptimal systems and processes that draw the country back can be eliminated so that progress can be made. This is a timely comparison as Jim O'Neal the economist has recently coined the term MINT to classify

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Mexico, Indonesia, Nigeria, and Turkey in order to differentiate them among the variety of emerging economies as a quartet that he grouped as “growth markets” along the line of the BRICS nations². It is by comparing Nigeria to the countries, who were once its peers but are now doing better than her, that what is pulling the nation down can be identified and corrective measures agreed upon and executed. In order to reconfirm that Nigeria and these countries were once in the same cadre, the social, economic and political story of Nigeria and all the countries that have been used in the benchmarking process are discussed below in some amount of detail for us to incontrovertibly establish that as birds of a feather, they ought to flock together.

Nigerian authorities have usually challenged the poor ranking accorded the country by these international bodies. In this instance, they usually contend that it is increasingly clear that a perception gap exists between the way some ranking agencies view Nigeria and the reality on the ground of steadily improving trends have averred that steps must be taken to redress this misalignment between perception and reality, both internally and externally. It should be stated however that most of the reports that have been used for this study consist of indicators and measures that have been compiled from actual data that have been carefully gathered by various national and international bodies.

For example, the Doing Business report which sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations measures and tracks changes in actual regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and employing workers and on the average, the number of days that it takes to comply with them. It is based on hard facts and not perceptions. Similarly, the Index of Economic Freedom measures the degree to which the policies and institutions of a country are supportive of economic freedom.

The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property. Forty-two data points are used to construct the related summary index which measures the degree of economic freedom in five broad areas covering (a) Size of Government: Expenditures, Taxes, and Enterprises; (b) Legal Structure and Security of Property Rights; (c) Access to Sound Money; (d) Freedom to Trade Internationally; and (e) Regulation of Credit, Labor, and Business. These are areas where data is available and can be statistically collated for each country. In all cases there is a separate report issued on each country and a detailed report issued

2 [http://en.wikipedia.org/wiki/Jim_O%27Neill_\(economist\)#MINT](http://en.wikipedia.org/wiki/Jim_O%27Neill_(economist)#MINT)

on how the data has been obtained and how it has been applied in generating the report for the country.

It is nevertheless agreed that some of the reports used for the study are based on perception data gathered by the international agencies. In this regard, the issue of perception requires some discussion in order to understand why some agencies like Transparency International, with their Corruption Perception Index, focus on perception rather than inaccurate or incomplete data. Perception is, the act or faculty of perceiving, or apprehending by means of the senses or of the mind; cognition; understanding; the way you think about or understand someone or something; the ability to understand or notice something easily and the way that you notice or understand something using one of your senses.³ Perceiving is to recognise, discern, envision, or understand. For example one says "I perceive a note of sarcasm in your voice" or "This is a nice idea but I perceive difficulties in putting it into practice." It should be noted that perception is our sensory experience of the world around us and involves both the recognition of environmental stimuli and actions in response to these stimuli. Through the perceptual process, we gain information about properties and elements of the environment that are critical to our survival. Perception not only creates our experience of the world around us; it allows us to act within our environment.

Perception includes the application of five senses; touch, sight, taste, smell and hear. In some cases, there is a gap between perception and reality. However it is argued in the area of corruption perception for example, that corruption is like an African masquerade. Everyone knows who the living mover in the masquerade spirit is but no one dares call his name. That is exactly the power of perception. Perception needs no proof, no definitive collaboration, yet its potency is devastating. Judge Dele Thompson once explained corruption perception. According to him if a judge is in Ikeja High Court and the story goes round that the judge is corrupt, without anyone giving a shred of evidence in support, there will be doubts and the issue would be allowed to pass.

However if the same judge is transferred to Badagry High Court and a different set of people begin to insinuate again that the judge is corrupt, then people will begin to pay attention. If again, the Judge is moved to Epe High Court and it begins to make the round in completely new cycles that the Judge is corrupt, then one should immediately put the Jury out. That is the strength of perception. Perception thrives on rumours and is very difficult to prove or disprove but it hangs in the air like the harmattan smoke. Only the light beamed to usher in truth and transparency can reshape perception. It should be noted that many indicators are based on actual measures and not perception. These facts

3 (<http://www.merriam-webster.com/dictionary/perception>)

can be independently measured and tested.

Consequently, instead of government officials kicking against these measures whenever Nigeria gets negative international ratings, it should bear in mind the ratings are majorly based on facts rather than perceptions. Rather than contest the views of these bodies, government should work hard to change unfavourable global perceptions and ratings.

Nigeria – “The most populous black nation on earth”

Nigeria, a nation with a population currently being estimated at 170 million of 250 ethnic groups and a growth rate of 1.9% per annum, occupying 923,768 sq.km of land in the tropics, is popularly described as the ‘Giant of Africa’. In surveys by Transparency International⁴ World Bank, statistics show that more than 70% of the people live on less than \$1.25 a day while the adult illiteracy rate exceeds 61%⁵. Nigeria is currently in a bad shape and there is a need for urgent surgery to turn the situation around.

However, it has not always been like this. Nigeria once flourished as different identifiable nationalities or ethnic groups, before the country was colonized by the British. Among the ethnic nationalities are Hausa, Igbo, Yoruba Ijaw, Tiv, Bini, Efik, Jukun, Fulani, Birom, Ibibio, etc. Each tribe was virtually independent of the other. However, they all related with one another with mutual respect, as peace-loving and honest people. Though, as can be expected, there were sometimes matters of historical rivalry and inter-ethnic clashes among neighbours. The cultural history of the people is rich and diverse. Between 500 B.C. and 200 A.D. people from the Southern Zaria and Benue areas of Central Nigeria had achieved a high degree of cultural sophistication particularly through their knowledge of iron smelting wherein they adorned themselves with tin and stone beads, earrings, nose rings and bracelets, which became known as the Nok culture; the Igbo-Ukwu people instituted bronze casting of several ornaments.

This general lack of Nigerian nationalism coupled with an ever-changing and often ethnically-biased national leadership, have led to severe internal ethnic conflicts and civil war.

Nigeria lies between latitude 4°N and 14°N. It is bounded in the North by the Sahara Desert and in the South by the Gulf of Guinea, an arm of the Atlantic Ocean. It is important to understand the different nationalities that made up the people of Nigeria before the colonial period, to establish a foundation and obtain clarity regarding the Nigeria challenge as to why the nationalities that flourished in the pre-colonial era simply have not been able to get their act

4 Nigeria's Crisis of Governance: Bayo Onanuga, The New Magazine 17 March, 2014

5 Human Development Index 2013 by United Nations Development Programme (UNDP) Lead Author Khalid Malik

together after attaining independence as a nation. Prior to their conquest by Europeans, these ethnic groups had separate and independent histories. Their grouping together into a single entity known as Nigeria was a construct of their British colonizers. These various ethnic groups never considered themselves part of the same culture. This general lack of Nigerian nationalism coupled with an ever-changing and often ethnically-biased national leadership, have led to severe internal ethnic conflicts and civil war. Today, bloody confrontations between or among members of different ethnic groups continue.

Ethnic relations: With regard to ethnic breakdown, the Hausa-Fulani make up 29% of the population, followed by the Yoruba with 21%, the Igbo with 18% the Kanuri with 4%, the Ibibio with 3.5%, the Tiv with 2.5%, the Ijaws 2% and others 20%. Major urban centres include Lagos, Ibadan, Kaduna, Kano, Enugu, Jos, and Port Harcourt. Nigeria is basically made up of the Forest Belt and the Grassland people.

Peoples of the Forest Belt: The oldest surviving groups in Nigeria are to be found in the forests of the south, including the mangrove swamp forests of the Niger Delta and coastal creeks which have provided protection for refuge cultures. The largest known peoples of the forest belt are the Yoruba and Edo peoples who live in the southwest or western states of Nigeria and the Igbo, Ibibio and Ekoi peoples of the southeast or eastern states of Nigeria. The Yoruba speaking peoples of Nigeria are concentrated in the Ogun, Oyo, Ondo, Kwara and Lagos states. In addition to linguistic homogeneity, the Yoruba share common traditions and trace descent from a common ancestor called Oduduwa, who is believed to have established the Ife dynasty.

It is significant to note that the Yoruba were never united under a common government. The Edo-speaking people who are best known for their once powerful and famous kingdom and empire of Benin, occupy the territory immediately east of Yoruba land. Several close traditional links exist between these two ethnic groups, whose political systems are also similar. The Yoruba town of Eko (Lagos) is reputed to have been founded by the Edos, while the first historic Oba of Benin is believed to have been of Yoruba descent. The famous bronze heads of Benin are thought to have been made by the same process earlier used by Yoruba artists and craftsmen. Compared with the Yorubas, the Edos have a stronger sense of political unity, although the relatively smaller size of the Edo population appears to have been an important factor in the ability of the Oba to keep the Edo people under one central authority. East of the lower Niger valley, the two major ethnic groups inhabiting the forest-belt are the Igbo and the Ibibio, each of whom is divided into several sub-groups. Neither of these two groups was ever organised into a large state or kingdom similar to those of the Yoruba and Edo. Rather, the largest political unit was the village group which has a population of only a few thousand people. Unlike the western people, the Igbo and Ibibio lived in small villages and not in towns, given that urbanization was a phenomenon of the

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colonial period in the Eastern states, except amongst the Onitsha Igbo and the riverine Ibibio and Efik of Calabar.

The Grassland Peoples: The grassland or savannah peoples of Nigeria fall into two distinct geographical groups, namely the Middle Belt peoples and the people of the far North. The Middle Belt is noted for the large number of very small ethnic groups including the hill-dwelling people of the Jos-Plateau region and the Eastern highlands of Adamawa. The two largest and most prominent of the Middle Belt grassland peoples are the Tiv of the Benue valley in the East and the Nupe of the middle Niger valley in the West. Tiv political structure was highly fragmented and according to Bohannon⁶, the only Tiv group of which one could say there must have been someone responsible was the compound, which was essentially a domestic rather than a political unit. The early British colonial administrators were embarrassed by the virtual absence of political organisation amongst the Tiv, whose lack of political units came to earn them the title of "a people divided against itself". The Nupe, unlike the Tiv had a rather integrated political organisation which was similar in a way to the Yoruba system. Like the Yorubas, they lived in large nucleated villages most of which had daughter settlements which consisted of small farm hamlets called tunga. While the Tiv compound, a much smaller unit than the tunga, often existed independent of the parent settlement, the Nupe tunga had no social life of its own; therefore celebrated its feasts and ceremonies with the mother village (Baldwin 1957, p. 32)⁷. The relationship between the tunga and the parent village of the Nupes was very similar to that between towns and farms in the Yoruba cocoa belt.

In the more open grassland areas of Nigeria, the most numerous and politically dominant groups are the Hausa, the Fulani and the Kanuri. Hausa is the most widely spoken language in Nigeria and is generally understood in most parts of the Northern states. The Hausa peoples of Nigeria are however concentrated in Sokoto, Kano and Kaduna states. The Hausa political scene featured a number of city states which were never unified until the Fulani conquest in the early part of the 19th century. It was after the Fulani conquest that Islam became more widely adopted, even though it had been introduced as far back as the fourteenth century. Today, most Hausas profess the Muslim faith. Their political and social life, including the land tenure and legal systems are very much influenced by Islamic principles.

The Hausa economy had always featured the intensive cultivation of guinea corn, millet, maize and beans and most Hausas lived in small agricultural villages, although there were also large traditional Hausa towns including Kano, Katsina, Zaria and Sokoto. Although

6 P Bohannon, and L Bohannon, *The Tiv of Central Nigeria*, London 1962

7 K D S Baldwin, *The Niger Agricultural Project*, London 1957

many Hausas owned cattle, the care for these animals was usually entrusted to the Cattle Fulani while the pastoral activities of the Hausa were largely limited to keeping goats and chicken. The Hausa land is also the home of the Fulani of Nigeria who are probably the only ethnic group in Africa with no distinct territory. Rather, the Fulani are to be found in almost every country of the Sudan zone, extending from Senegal in the West to the upper Nile in the east. They migrated into Nigeria from the Sahel to areas further South and settled amongst the Hausa and subsequently conquered them during the Fulani Jihad led by Uthman dan Fodio in the early 19th century.

The Kanuri of Borno State are the last of the major grassland peoples. Like the Hausa, the Kanuri are Muslims but Islam was already well-established in Borno before the Fulani Jihad in Hausa land. Although the Fulani made several efforts to conquer Borno, they never succeeded in doing so. Most Kanuri, like Hausa, were settled cultivators and traders. Many of them also owned large herds of cattle which were under the care of Shuwa Arabs or the Cattle Fulani.

Linguistic affiliations: English is the official language of Nigeria. It is used in all government interactions and in state-run schools. In a country with more than 250 individual tribal languages, English is the only language common to most people. Unofficially, the country's second language is Hausa. In northern Nigeria many people who are not ethnic Hausas speak both Hausa and their own tribal language. Hausa is the oldest known written language in West Africa, dating back to before 1000 BC. The dominant indigenous languages of the South are Yoruba and Igbo. Prior to colonization, these languages were the unifying languages of the southwest and southeast, respectively, regardless of ethnicity. However, since the advent of the British and the introduction of mission schools in southern Nigeria, English has become the language common to most people in the area. Today, those who are not ethnic Yorubas or Igbos rarely speak Yoruba or Igbo. Pidgin, a mix of African languages and English, is also common throughout southern Nigeria. It basically uses English words mixed into Nigerian language structures. Pidgin originally evolved from the need for British sailors to find a way to communicate with local merchants. Today it is often used in ethnically mixed urban areas as a common form of communication among people who have not had formal education in English.

Symbolism: Because there is little feeling of national unity among Nigerians, there is little in terms of national symbolism. What exists was usually created or unveiled by the government as representative of the nation. The main national symbol is the country's flag. The flag is divided vertically into three equal parts; the centre section is white, flanked by two green sections. The green colour of the flag represents agriculture, while the white stands for unity and peace. Other national symbols include the national coat of arms, the national anthem, and the national pledge (similar to the Pledge of Allegiance in the

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United States). Another symbol is Nigeria's National Motto: Peace and Unity, Strength and Progress.

Emergence of the nation: The histories of the people in northern and southern Nigeria prior to colonization followed vastly different paths. The first recorded empire in present-day Nigeria was centred in the North at Kanem-Borno, near Lake Chad. This empire came to power during the eighth century. By the thirteenth century, many Hausa states began to emerge in the region as well. In 1804 the Fulani launched a jihad, or Muslim holy war, against the Hausa states in an attempt to cleanse them of these non-Muslim behaviours and to reintroduce proper Islamic ways. By 1807 the last Hausa state had fallen. The Fulani victors founded the Sokoto Caliphate, which grew to become the largest state in West Africa until its conquest by the British in 1903. In the south, the Oyo Empire grew to become the most powerful Yoruba society during the sixteenth century. Along the coast, the Edo people established the Benin Empire which reached its height of power in the fifteenth and sixteenth centuries. As in the North, outsiders heavily influenced the societies of southern Nigeria. Contact with Europeans began with the arrival of Portuguese ships in 1486. The British, French, and Dutch soon followed. Soon after their arrival, trade in slaves replaced the original trade in goods. In 1851 the British attacked Lagos to try to stem the flow of slaves from the area. By 1861 the British government had annexed the city and established its first official colony in Nigeria. The name Nigeria was suggested by a British journalist called Flora Shaw in the 1890s. She referred to the area as Nigeria, after the Niger River, which dominates much of the country's landscape. The word Niger is Latin for black. As the non-slave trade began to flourish, so did the Nigerian economy. A new economy based on raw materials, agricultural products, and locally manufactured goods saw the growth of a new class of Nigerian merchants. Christian missionaries brought Western style of education to Nigeria as Christianity quickly spread throughout the South. In 1914, after squelching the last of the indigenous opposition, Britain officially established the Colony and Protectorate of Nigeria.

The nationalistic movement grew out of some of the modernization the British had instituted in Nigeria. The educated elite became some of the most outspoken proponents of an independent Nigeria. This elite had grown weary of the harsh racism it faced in business and administrative jobs within the government. Both the elite and the uneducated also began to grow fearful of the increasing loss of traditional culture. They began movements to promote Nigerian foods, names, dress, languages, and religions. Nigeria gained independence from Britain on 1st October 1960. Immediately following independence, vicious fighting between and among political parties created chaos for the fledgling democracy. On 15th January 1966, a group of army officers, most of whom were Igbo, staged a military coup, killing some government ministers from the western and northern tribes. Six months later, northern forces within the military staged a counter coup, killing

some of the Igbo leaders. Following anti-Igbo demonstrations and killings of some Igbo in the North, the Igbo-dominated Southeast declared it had broken away from Nigeria to form the independent Republic of Biafra on 26th May 1967. This triggered a bloody civil war that lasted three years.

In 1970, Biafra surrendered after many Nigerians on both sides of the divide had lost their lives. After decades of military rule, election for a new civilian president was finally held on 12th June 1993. A wealthy Yoruba Muslim named Moshood Abiola won the election, defeating the leading Hausa candidate. Two weeks later, however, the military regime had the election annulled and Abiola imprisoned for allegedly declaring himself president. The sudden death of Nigeria's last military dictator, General Sanni Abacha, on 8th June 1998 opened the door for a transition back to civilian rule. Many Nigerians again crossed ethnic lines when they entered the voting booth. On 22nd February 1999, Chief Olusegun Obasanjo, won the presidential election. Nigeria has had three successive civilian presidents since then.

The oil-rich economy led to a major economic boom for Nigeria during the 1970s, transforming the poor African country into the thirtieth richest country in the world.

Basic economy: The economies of the traditional societies, which were agriculture-based, boomed tremendously because the land was vast and fertile. Vastness and fertility are not the only landmarks. It is also richly stuffed with various kinds of mineral resources, including petroleum, coal, uranium ore, tin, iron ore, limestone, lead, zinc and other alluvial deposits. The vast vegetation, on the other hand, harbours numerous economic trees like cocoa, palm trees, rubber and Iroko of inexhaustible abundance, and supports herds of free-ranging wild life. Traditional economy flourished a little into independence - a little, not because of exhaustion but impulsive abandonment.

The soil was so fertile that cash crops, before the discovery of large oil fields, made up the bulk of the country's export economy. This enviable heritage later proved to be the lure of foreigners. Until the past few decades therefore, Nigeria had been self-sufficient in producing enough food to feed the population. More than 50% of Nigeria's population worked in the agriculture sector. Most farmers engaged in subsistence farming, producing only what they ate themselves or sold locally. Very few agricultural products were produced for export. As petroleum production and industry began to boom in Nigeria, much of the national resources were concentrated on the new industries at the expense of agriculture. Nigeria, which had previously been a net exporter of agricultural products, soon needed to import vast amounts of food it once produced for itself.

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Since the 1960s, Nigeria's economy has been based on oil production. As a leading member of the Organisation of Petroleum Exporting Countries (OPEC), Nigeria has played a major role in influencing the price of oil in the world market. The oil-rich economy led to a major economic boom for Nigeria during the 1970s, transforming the poor African country into the thirtieth richest country in the world. However, falling oil prices, severe corruption, political instability, and economic mismanagement since then have left Nigeria no better off today than it was at independence.

Since the restoration of civilian rule in 1999, Nigeria has begun to make strides in economic reform. While hopes are high for a strong economic transformation, high unemployment, high inflation, and more than half of the population living under the poverty line indicate it will be a long and difficult road. Oil production has had some long-lasting ethnic consequences as well. While oil is Nigeria's largest industry in terms of output and revenue, oil reserves are found only in the Niger Delta region and along the coast. The federation has a scheme that shares the revenue across the country using fiscal allocation formula which the oil producing states argue is not equitable. This has led to claims that the minority groups living in the Delta are being cheated, instigating violence against oil facilities and kidnapping of oil workers in the region.

Trade: Oil and petroleum-based products made up 95% of Nigeria's exports in 1998. Cocoa and rubber were also exported. Its major export partners include the United States, Spain, India, France, and Italy. Nigeria is a large-scale importer, depending on other countries for things such as machinery, chemicals, transportation equipment, and manufactured goods. The country also imports large quantities of food and livestock. Its major import partners include the United Kingdom, the United States, Germany, France, and the Netherlands.

Government: Nigeria is a republic, with the President acting as both head of state and head of government. The Nigerian legislature consists of two houses: a Senate and a House of Representatives. All legislators are elected to a four-year term. Nigeria's judicial branch is headed by a Supreme Court. All Nigerians over age eighteen are eligible to vote. Wealthy political elites dominate political life in Nigeria. Urban problems of housing, unemployment, health care, sanitation, and poor transportation systems tend to mobilize people into political action and public displays of dissatisfaction. As of the 1999 presidential elections, there were three main political parties in Nigeria: the People's Democratic Party (PDP), the All Peoples Party (APP), and the Alliance for Democracy (AD). The political terrain is currently dominated by the PDP and the All Progressive Congress (APC).

Social problems and control: Perhaps Nigeria's greatest social problem is the inter-

nal violence plaguing the nation. Inter-ethnic fighting throughout the country, religious rioting between Muslims and non-Muslims over the creation of Shari'a law (strict Islamic law) in the northern states, and political confrontations between ethnic minorities and backers of oil companies often spark bloody confrontations. When violence of this type breaks out, the police try to control it. However, the police themselves are often accused of some of the worst violence. In some instances, curfews and martial law have been imposed in specific areas to try to stem outbreaks of unrest. Poverty and lack of opportunity for many young people, especially in urban areas, have led to major crimes. The police is charged with the responsibility of controlling crime, but their inefficiencies often lead to "self-help" or jungle justice.

In some rural areas there are some more traditional ways of addressing social problems. In many ethnic groups, such as the Igbo and the Yoruba, men are organised into secret societies or masquerades. Initiated members of these societies often dress in masks and palm leaves to masquerade as the physical embodiment of traditional spirits to help maintain social order. Through ritual dance, these men will give warnings about problems of individual or community morality in a given situation. Given that belief in witchcraft and evil spirits is still relatively high throughout Nigeria, this kind of public accusation can instill fear in people and cause them to mend their ways. Members of secret societies also can act as judges or intermediaries in disputes.

Religious beliefs: It is estimated that 50% of Nigerians are Muslims, 40% are Christians, and that the remaining 10% practice various indigenous religions. While Muslims can be found in all parts of Nigeria, their strongest footholds are among the Hausas and the Yorubas. Christianity is most prevalent in the South of Nigeria. Most Igbos are Christians, as are many Yorubas. The debate over Shari'a law and the violence accompanying it, continue in many of the northern states. Because the vast majority of Igbos converted to Christianity during colonialism, few practice the traditional Igbo religion, which is the worship of diverse gods.

Botswana – "The Place of Tswana"

Botswana was formerly known as Bechuanaland Protectorate under the British. Botswana became independent in 1966. Botswana means "place of Tswana" in the dominant national language (Setswana), and the citizens are called Batswana, or Tswana people. Botswana is a landlocked and arid country. It has borders with South Africa, Zimbabwe, Namibia, and Zambia. The country is 224,607 square miles (581,730 square kilometers) in area, about the same size as France. Two-thirds of the country comprises the Kalahari Desert, which is covered with grasses and scrub but has scarce surface water. Mean annual rainfall ranges from under 10 inches (250 millimeters) per annum in the Southwest to over 25 inches (635 millimeters) in the Northeast. The entire country is prone to extended droughts, causing significant hardship to agriculturalists, pastoralists, and hunter-gatherers. The Okavango

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Delta, in the North, is a large inland Delta, and people there fish and farm on its flooded banks; tourists are drawn to the large numbers of wildlife that congregate in the area. Prior to independence, the British administered the Protectorate from Mafiking in South Africa. The capital city today, Gaborone, was built on a village site in the southeastern corner of the country at independence, near the borders of several of the Tswana polities' settlements that dominated the country.

Demography: Botswana's population has grown from 600,000 people in 1971 to an estimated 1,600,000 in 2000 and 2,098,018 in 2012. While recording very high growth rates in the 1970s and 1980s, high birth rates and declining infant mortality have led to a population structure being heavily skewed towards young people: 43% of the population was under 15 years of age in 1991. Although ethnically, Tswana people are often said to be in majority, government censuses do not collect information on ethnicity. Earlier studies indicated that in some regions, Tswana were a minority, and that all polities were composed of people of heterogeneous origins, including Kalanga, Yei, Mbukushu, Subiya, Herero, Talaote, Tswapong, Kgalagadi, Kaa, Birwa, and varied peoples known as Bushmen (or, in Botswana, Sarwa). There are also resident Europeans and Indians known colloquially as Bushmen who have lived in Botswana for hundreds of years. Herders and agriculturalists from a Bantu tradition appeared more than two-thousand years ago. Tswana polities under Tswana chiefs moved into Botswana from the South and East in the 17th and 18th centuries, some responding to the rise of the Zulu state and European encroachments. Missionization of Tswana began in 1816, and throughout the 19th century Tswana polities were drawn into trade, Christianity, and the migrant labour economy centered in South Africa, while defending themselves against incursions from the north, east, and south.

In 1885 the British declared the area the Bechuanaland Protectorate, and in a famous visit to Britain in 1895, three of the Tswana kings petitioned to remain under the British instead of being governed by the British South Africa Company. British administration in the 20th century strengthened the role of the Tswana chiefs and the dominance of Tswana laws and customs over the country. National political activity at first focused on preventing the protectorates annexation by South Africa. Later, as independence movements emerged across Africa, people from a variety of ethnic groups looked forward to independence and formed political parties. The move to independence was quite peaceful. Independence was granted to the newly named Republic of Botswana on 30th September, 1966.

National identity: As a new nation, Botswana emphasized non-ethnic citizenship and liberal democracy. Diamonds were discovered soon after independence was granted, and the prudent and equitable use of their revenues has underwritten stability coupled with

the peaceful re-election of the dominant political party.

Ethnic relations: The domination of the country by the Tswana polities has persisted in a non-ethnic government through the easy assumption of the predominance of Tswana people, language, and customs. Certain groups in the past were treated as serfs or subordinates by Tswana, such as the Sarwa, Kgalagadi, Yei, and Kalanga, and the latter two have been particularly active in the 1990s to secure official recognition for minority "tribes," and in ethnic revivalism. The non-ethnic official rhetoric of civic participation, however, has also allowed many members of minority groups to move through the educational system into prominent management and bureaucratic positions.

Symbols of social stratification: In the late 20th century, Botswana had developed one of the most skewed income distributions in the world. There is a developing bourgeoisie that has the ability to distinguish and reproduce itself through access to English-medium education, networks, and material lifestyle (including cars and electricity).

Basic economy: At Independence in 1966, most people in Botswana relied on mixed agriculture (crops and livestock), hunting and gathering wild foods, and remittances from migrant labour in South Africa. But diamonds were found soon after independence, and since the 1970s mining has provided a strong basis for economic development. Farming of sorghum, maize, millet, and beans, along with small stock and cattle, are still important for subsistence and also commercial returns. As a result of drought and urban migration, Botswana no longer aspires to be self-sufficient in agriculture, but instead focuses on "food security" incorporating regular imports of grain and processed foods. 37% of formal employment is by the government (and almost 8% in state corporations), but employment in the private sector is now growing more rapidly; people work in service and retail companies, mines, construction firms and in many small start-up businesses. Earnings are typically remitted rather broadly through extended kin networks.

Commercial activities: Agricultural products are marketed both through government marketing services and private companies. Small-scale retailing of manufactured goods is widespread. Small home industries, such as sewing, cement block manufacture, other household goods, and construction are common activities, and the government is promoting larger industrial enterprises. Botswana's diamond mines are jointly owned and operated with De Beers Consolidated Mines. Copper, nickel, and potash are mined for the international market. Beef is exported as well, primarily to the European Union (EU) through the Lomé Conventions, designed by the EU to promote trade and development in third-world countries. Botswana has struggled to attract major industrial enterprise to the country.

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Textiles, clothing, and food processing constitute the major industries. Abundant wildlife, especially in the north, is the basis of a tourist sector that has focused primarily on high-end tours. Botswana's exports are dominated by diamonds, copper/nickel matte, beef and animal products. Also exported are textiles and soda ash. In the 1990s, an automobile assembly plant added vehicles to the list of exports, but that plant was closed in 1999, and the government is seeking new operators for it. Around 80% of exports go to Europe. Diamonds account for about 80% of foreign exchange earnings. Botswana imports a wide variety of goods. Botswana is a member of the South African Customs Union.

Government: Since independence in 1966, Botswana has been a multi-party democracy with elections held every five years to a unicameral legislature, which has been dominated by the Botswana Democratic Party. There is also an advisory House of Chiefs, composed of the heads of the eight Tswana polities, and of chiefs elected from districts outside those polities. In 2000, the government undertook a review of the role of the House of Chiefs, and its constitution which may be changed in years to come. The local government is organised around elected district and urban councils (with some appointed members), land lords, and village development committees. There is also a "tribal administration" organised under the Ministry of Local Government, Lands, and Housing. Chiefs and headmen are important figures both in villages and nationally, although they are forbidden to be active in party politics.

Leadership and political officials: Politics takes place in two fora, which are distinct in their underlying premises and the ways in which they are perceived by the citizenry, but which also overlap considerably. One forum is the liberal Democratic Party system and the bureaucratic apparatus of government. The other is focused on the chiefs (dikgosi; singular, kgosi), subchiefs, and headmen. The distinctive centre of Tswana village life is headed by women, kgotla, an open-air chief's court and community forum. Many Batswana look upon the consensual nature of kgotla debates, and the hearing of disparate opinions within them, as underpinning Botswana's successful constitutional democracy. It should be remembered, though, that the dikgosi were able to manipulate support through their great wealth and political power, that they declared many regulations without widespread support, and that only the voices of adult men were formerly admitted in kgotla. Indeed, in many dikgotla, ethnic minority groups were not allowed to speak, or their voices were significantly discounted. Furthermore, the emphasis on consensus at the end of debates meant that open disagreement was not tolerated—the illusion of homogeneity and consensus being created only through the silencing of differences and the exclusion of many possible voices.

The chiefs, representing a morality of group unity, have become the focus of minority claims to recognition in the nation. The morality of the political parties and the bureaucracy is not viewed entirely negatively: this is the domain in which women, minorities,

and junior males have been able to attain position, and its morality accords with ambitions of self-development promoted by government rhetoric. The distinction between the two domains is becoming more blurred, as ethnic minorities see chiefs as representatives in government, as sub-chiefs are elected by villages, and as the entire "tribal" system is administered by the Ministry of Local Government, Lands, and Housing. The chiefs are effectively under the minister, and lower-level chiefs are clearly salaried state employees. With 85% of court cases in Botswana heard in the dikgotla, a considerable amount of bureaucratic oversight and procedure now surrounds the chiefs' courts.

Brazil – "The Land of Carnival and Soccer"

The Portuguese navigator, Pedro Alvares Cabral, arrived at present day Pôrto Seguro (Safe Harbor) in the state of Bahia on the Brazilian coast in April 1500 and named the new territory Ilha de Vera Cruz, Island of the True Cross, thinking that it was an island. A year later, Italian navigator, Amerigo Vespucci, sailed to Brazil on a voyage commissioned by the Portuguese crown and returned home with a cargo of hard, reddish wood. The wood was similar to an East Indian variety called pau brasil, which was then popular in Europe for making cabinets and violin bows. Pau brasil (Brazil wood), the first product to be exploited by the Portuguese in this new territory, is the origin of the country's name, Brazil. Its citizens are Brasileiros or Brasileiras, depending on gender.

As a result of its size and diversity, Brazil is one of the nation's most deserving of the name, "Land of contrasts"... Nevertheless, Brazilians share a national culture—making Brazil a true case of unity in diversity

As a result of its size and diversity, Brazil is one of the nation's most deserving of the name, "Land of contrasts." The country is divided into five regions: Norte (North), Nordeste (Northeast), Centro-Oeste (Central-West), Sudeste (Southeast), and Sul (South). These divisions are used for administrative purposes such as the national census and they roughly correspond to geographic, demographic, economic, and cultural variation within this sprawling nation. The Northeast has the greatest proportion of people of African descent, the South and Southeast are home to the bulk of Brazilians of European and Japanese ancestry, while indigenous peoples live largely in the North and Central-West. However, regional migration and extensive racial inter-breeding has made Brazil one of the most racially diverse nations on earth. Aside from the official fivefold regional division of Brazil, a simpler economic distinction is made between the poor, underdeveloped North and the wealthier, more industrialized South. This distinction is sometimes referred to as the "two Brazils" or "Belindia," with the wealthy south being compared to Belgium and the poor north to India. Sometimes, these contrasts are translated into negative stereotypes as when inhabitants of São Paulo, the huge metropolis in southeastern Brazil, blame their

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city's poverty and high crime rate on migrants from the North. Urban, middle-class Brazilians are generally unfamiliar with the interior of their own country and misrepresent it as a region of unrelenting poverty and backwardness—a stark place of little comfort that should be best avoided. One consequence of this attitude is that middle-class and wealthy Brazilians are more likely to have visited Miami, Orlando, or New York than to have traveled to tourist destinations in their own country. Brazilians are aware of these regional and rural/urban distinctions and therefore closely identify with places of their birth. One is a *nordestino* (northeasterner) or a *mineiro* (native of the state of Minas Gerais) or a *carioca* (native of the city of Rio de Janeiro). Nevertheless, Brazilians share a national culture—making Brazil a true case of unity in diversity. The legacy of the Portuguese language, religion, and law serves to unify this vast land and its people. Until the mid-twentieth century almost all Brazilians were—at least nominally—Catholic and today, virtually all speak Portuguese and identify with the dominant Brazilian culture.

Location and geography: Brazil is the world's fifth largest country in geographical expanse and the largest nation in Latin America, comprising slightly under half of the land mass of South American continent and shares a border with every South American country except Chile and Ecuador. It is the size of the continental United States excluding Alaska. Brazil's physical environment and climate vary greatly from the tropical North to the temperate South. The landscape is dominated by a central highland region known as the *Planalto Central* (Brazilian Highlands, or Plateau of Brazil) and by the vast Amazon Basin which occupies over one-third of the country. The central plateau is 4,500-mile-long, (7,240-kilometer-long) along the coast, and majorly runs parallel to the ocean, creating a fertile, low land area.

Demography: The population of Brazil was estimated to be 205,716, 890 in 2012 with a growth rate of 1.1% per annum, thus making it the sixth largest in the world after China, India, United States, Indonesia, and Russia. Despite its large population, Brazil's demographic density is relatively low. Although there has been significant population movement into the interior in recent decades, about 80% of all Brazilians still live within two hundred miles of the Atlantic coast. Fertility rates have dropped dramatically in Brazil in the last three or four decades of the 20th century, with the fertility rate at the turn of the 21st century down to an average of 2.1 children per woman. Nevertheless, the population will continue to grow in the first 20 or 30 years of the 21st century because of the nation's current youthful age structure.

Linguistic affiliation: Nearly all Brazilians speak Portuguese, a language that was introduced to Brazil by the Portuguese in the early 16th century. Prior to the arrival of the Portuguese, the native population spoke languages belonging to at least four major language families: Arawakan, Gê, Carib, and Tupi-Guarani. Tupi-Guarani—which was

spoken by coastal Indians, the first to come into extensive contact with the Portuguese, served as the basis for *lingua geral*, a language developed by the Jesuits for their missionary work with the Indian population.

Symbolism: Most Brazilians would agree that the symbols that best characterize their nation are the exuberant revelry of the pre-Lenten celebration of carnival and the wildly popular sport of soccer, called *futebol* in Brazil. The carnival is a four-day extravaganza marked by parades of costumed dancers and musicians, formal balls, street dancing, and musical contests, a truly national party during which Brazilians briefly forget what they call the "hard realities of life." It is symbolic of the national ethos because it relates to many of the dualities in Brazilian life: wealth and poverty, African and European, female and male. The key to a carnival's popularity is its break with and reversal of the everyday reality. Brazilians are also passionate about soccer and are rated among the best players of the sport in the world.

Emergence of the nation: In 1530, the Portuguese began to colonise the new land of Brazil, but during the 16th and early 17th centuries their hold on this vast territory remained tenuous as they struggled with an unfamiliar environment, indigenous peoples, and also with French and later Dutch's efforts to undermine Portuguese control. A useful exercise is to compare the early colonization of the United States and Brazil since it sheds light on the ensuing differences between the two modern nations. Both countries imported large numbers of African slaves, but in Brazil the practice began earlier, lasted longer, and involved the importation of two to three times more slaves than in the United States. Estimates range from three to four million Africans forcibly taken to Brazil. Moreover, in contrast to the large number of families who came to settle in the North American colonies, the Portuguese colonists were more often single males. Extensive miscegenation occurred in Brazil among Africans, Portuguese, and indigenous peoples during colonial times, and later with the arrival of new immigrants from Europe, the Middle East, and Asia.

National identity: While many people today see Brazil's racial and cultural diversity as one of the nation's strengths, foreign visitors and Brazilians themselves have at times drawn a connection between extensive racial mixing and Brazil's "backwardness." The belief that Brazil was less able to develop due to its racial heterogeneity was at the root of governmental decisions regarding immigration. Nineteenth century government sponsored colonization schemes, for example, hoped to attract white immigrants, especially northern Europeans. And, in the early 20th century, when theories of eugenics were popular in many parts of the world, Brazilian elites were straight forward about their desire to "whiten" the country so that it would develop economically. Others dissented from this view.

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In the 1930s, a well-known Brazilian anthropologist, Gilberto Freyre, argued that the richness of Brazilian society lay precisely in its mixed racial heritage. The Portuguese, he argued, had laid the foundation for a “new world in the tropics,” a blending of African, Indian, and European elements that made Brazilian culture unique. During the colonial period (1500–1822), individuals born in Brazil were subject to rules and taxes that were decided in distant Portugal and most of the top posts in colonial administration were held by those born in the mother country. The relative lack of power over their own affairs encouraged the creation of a distinct identity among native-born Brazilians, albeit one made up of diverse elements. Following Brazil’s proclamation of independence from Portugal in 1822, Brazilian national identity was thrown into sharper relief, but its constituent parts remained largely unchanged. Then in the 1870s, a massive wave of immigration from Europe—eventually reaching some 2.5 million—helped shift the racial balance.

After World War II, Brazil followed a pattern of assimilation common to many nations with a high percentage of immigrants. As the second and third generations settled in and moved up the economic ladder, they became “Brazilian” to varying degrees. They inter-married, no longer spoke the language of their ancestors, and came to think of themselves primarily as Brazilians. Contemporary Brazilians not only share a common culture, they insist on distinguishing themselves linguistically and ethnically from other Latin Americans.

Ethnic relations: The Brazilian population has three major components—Brazilian Indians, Afro-Brazilians and Japanese Brazilians. Somewhere between 2.5 and 5 million Brazilian Indians inhabited Brazil when the Portuguese first arrived in the early 16th century. Divided into many different cultures with distinct institutions, Brazilian Indians spoke a large number of languages. Today they comprise only about 0.02 % of the country’s population. Afro-Brazilians, the descendants of millions of slaves brought primarily from West Africa to Brazil over a 300-year period, are the second major component of the national population. Afro-Brazilians and people of mixed racial ancestry account for at least 45 % of the Brazilian population at the end of the 20th century.

Brazil also has a large population of mixed Europeans, mainly of Portuguese descent. In the late 19th and early 20th centuries Brazil was the destination of many immigrants from Italy, Germany, and Spain. During the same era smaller numbers of immigrants arrived from Eastern Europe and the Middle East. Rounding out the demographic picture are, Japanese-Brazilians, descendants of Japanese, who came to Brazil in the first decades of the 20th century, and Koreans who began arriving in the 1950s. In spite of the above diversity, Brazil is among the most racially heterogeneous countries in the world and these distinct categories are somewhat misleading in that many, perhaps most, Brazilians are of mixed ancestry.

Basic economy: Brazil is a land rich in natural resources, principally iron ore, bauxite, manganese, nickel, uranium, gold, gemstones, oil, and timber. Beginning in the 17th century, African slaves were imported to provide labour for these plantations. This is why today the Northeast is the region with the strongest African influence. The Southeast also received large numbers of African slaves during the gold boom of the 18th century and the coffee boom beginning in the 19th century. This region also attracted new immigrants from Europe, the Middle East, and Japan who established family farms and eventually urban businesses. In contrast, the South—with a climate unsuited to either coffee or sugar—became the destination of many German and Italian immigrants who raised cattle and grew a variety of crops.

Today Brazil has the eighth largest economy in the world. It is a major producer of such agricultural products as sugarcane, soybeans, oranges, coffee, cocoa, rice, wheat, and cotton. It is also a major supplier of beef with vast cattle ranches primarily in the southern and western regions of the country. Nevertheless, because of the tremendous growth of industry, agriculture accounts for only 13% of the nation's Gross Domestic Product (GDP). Agriculture employs – directly or indirectly – about one-quarter of the Brazilian labour force. Five million agricultural workers are wage labourers concentrated in the plantations of the North (sugarcane, cotton, coffee, cocoa) and the increasingly mechanized agricultural enterprises of the Southeast and South (soybeans, wheat, sugar, oranges). More than 70% of these workers lack permanent employment and social benefits and less than 40% are employed year round. There are also 4.8 million landless families who survive as tenant farmers, sharecroppers, and casual labourers.

In the last decades of the 20th century, increasing mechanization and monopolization of the best farmlands by agribusinesses has accelerated the displacement of small family-owned farms. Nevertheless, there are still some five million family farms ranging in size from 12-250 acres (5-100 hectares) that occupy about 143 million acres (58 million hectares). In contrast, large commercial agricultural enterprises cover almost three times that area. During the 1960s and 1970s, Brazil experienced economic growth from agricultural modernization and, by the early 1980s, agricultural production had increased to the extent that Brazil had become the fourth largest food exporter in the world. Nevertheless, Brazil was not adequately feeding its own people. It is sixth worldwide in malnutrition, ahead of only Bangladesh, India, Pakistan, Indonesia, and the Philippines.

Major industries: Brazil has one of the most advanced industrial sectors in Latin America today and is a major producer and exporter of automobiles, textiles, shoes, durable consumer goods, steel, pharmaceuticals, and petrochemicals. Industrial activity in Brazil is concentrated in the Southeast, with about half of the nation's industrial production in the state of São Paulo alone. Here, too, most of the country's unionized

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industrial jobs are found. For this reason, after the 1970s, migration from the northeast to the southeast and from rural to urban areas has been particularly intense. More recently, however, as unemployment in the Southeast has climbed and tax incentives have led to increased industrial investments in the Northeast, the migrant flow has been reversed to some extent.

Oil was first discovered in Brazil in 1939 but the country's oil industry experienced much of its growth after Petrobras' formation in the early 1950s. Brazil has traditionally relied on imports to augment its inadequate domestic supply. The gap between domestic production and consumption has shrunk markedly, though - particularly after Brazil privatized its oil sector in 1997. Though no longer a monopoly, Petrobras is still by far the major player in the Brazilian oil industry - the company controls more than 95% of the country's production. Still partially owned by the government, the company has asserted its right to exploit most of the promising fields in the first licensing round. A long-standing goal of Petrobras has been to help Brazil achieve petroleum self-sufficiency. That goal was finally achieved in April of 2006, when Petrobras started production from the Albacora Leste field in the Campos Basin.

Government: The Federal Constitution of Brazil provides for three independent governing branches: executive, legislature, and judiciary. Although the constitution has undergone several revisions in the last century, the most recent in 1988, it has always retained this division of governmental organs. Voting in Brazil is now universal and compulsory for all literate citizens from 18-70 years of age and optional for those who cannot read and write. Brazil's return to free elections in the mid-1980s after two decades of military dictatorship has not resulted in greater social and legal equity, likewise unequal treatment of the rich and poor is ongoing. Government officials and well-to-do individuals, who have committed crimes, are more likely to escape the long arm of the law than those of lower social status. In part, this is because Brazil is a country in which laws and regulations are passed, yet a significant proportion of them are ignored. Today, there is growing intolerance of political corruption and a host of official inquiries are evidence that Brazilians are starting to reject impunity and demand accountability of their public officials.

Social problems and control: Given the nation's stark economic inequalities, social control in Brazil has long been problematic, even more so at the end of the 20th century than in the past. High rates of crime, particularly in large urban areas, are a frequent topic of conversation. Kidnappings, assaults, and murder receive wide media coverage. The murder rate in the greater part of São Paulo, for example, is some five times that of the New York metropolitan area. Killings by police are common particularly in poorer urban areas. Fearful for their security, corporate executives travel around in armoured cars; elite neighbourhoods

are fortified as private, guarded condominiums are surrounded by high walls. Also within this urban landscape of have and have-nots, live tens of thousands of street children, eking out a bare existence, ever on their guard against being roused by the police.

Ghana – “The Gold Coast”

Ghana, formerly the British colony of the Gold Coast, assumes a special prominence as the first African country to acquire independence from colonial rule. Ghanaian politicians marked this important transition by replacing the territory's colonial label with the name of a great indigenous civilization of the past. While somewhat mythical, these evocations of noble origins, in combination with a rich cultural heritage and a militant nationalist movement, have provided this ethnically diverse country with unifying symbols and a sense of common identity and destiny. Over 40 years of political and economic setbacks since independence have tempered national pride and optimism. Yet, the Ghanaian people have maintained a society free from serious internal conflict and continue to develop their considerable natural, human, and cultural resources.

Over 40 years of political and economic setbacks since independence have tempered national pride and optimism. Yet, the Ghanaian people have maintained a society free from serious internal conflict

Location and geography: Ghana is located on the west coast of Africa, approximately midway between Senegal and Cameroon. It is bordered by Côte d'Ivoire (Ivory Coast), Burkina Faso, Togo, and the Atlantic Ocean. The land surface of 92,100 square miles (238,540 square kilometers) is dominated by the ancient Precambrian shield, which is rich in mineral resources, such as gold and diamonds. The land rises gradually to the North and does not reach an altitude of more than 3,000 feet (915 meters). The Volta River and its basin form the major drainage feature; it originates in the North along two widely dispersed branches and flows into the sea in the eastern part of the country near the Togolese border. The Volta has been dammed at Akosombo, in the South, as part of a major hydroelectric project, to form the Lake Volta.

Several smaller rivers, including the Pra and the Tano, drain the regions to the West. Highland areas occur as river escarpments, the most extensive of which are the Akwapim-Togo ranges in the east, the Kwahu escarpment in the Ashanti region, and the Gambaga escarpment in the North. Ghana's subequatorial climate is warm and humid, with distinct alternations between rainy, summer and dry winters. The duration and amount of rainfall decreases toward the North, resulting in a broad differentiation between two regions - southern rain forest and northern savanna - which form distinct environmental, economic, and cultural zones. The southern forest is interrupted by a low-rainfall coastal

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savannah that extends from Accra eastward into Togo.

Demography: The population in year 2000 was approximately 20 million and was growing at a rate of 3% per year. The population was estimated at 25,241,998 in 2012 with a growth rate of 1.48% per annum. Approximately two-thirds of the people live in the rural regions and are involved in agriculture. Settlement is concentrated within the “golden triangle,” defined by the major southern cities of Accra (the capital), Kumasi, and Sekondi-Takoradi. Additional concentrations occur in the northernmost districts, especially in the Northeast. The population is almost exclusively African, as Ghana has no history of intensive European settlement. There is a small Lebanese community, whose members settled in the country as traders. Immigration from other African countries, notably Burkina Faso, Togo, Liberia, and Nigeria, is significant. Some of the better established immigrant groups include many Ghanaian-born members, who are nevertheless classified as “foreign” according to Ghana’s citizenship laws.

Linguistic affiliation: Ghana’s national language is English, a heritage of its former colonial status. It is the main language of government and instruction. Ghanaians speak a distinctive West African version of English as a standard form, involving such usages as ‘chop’ (eat) and ‘dash’ (gift). English is invariably a second language. Mother tongues include over 60 indigenous languages. Akan is the most widely spoken and has acquired informal national language status. In addition to the large number of native speakers, many members of other groups learn Akan as a second language and use it fluently for inter-group communication. Ga-Adangme and Ewe are the next major languages. Hausa, a Nigerian language, is spoken as a trade language among peoples from the North. Many Ghanaians are multilingual, speaking one or two indigenous languages beside their native dialects and English. Although Ghana is bounded by francophone nations on all sides, few Ghanaians are proficient in French.

Symbolism: As a relatively new nation, Ghana has not developed an extensive tradition of collective symbols. Its most distinctive emblems originated in the nationalist movement. The most prominent is the black star, which evokes black pride and power and is also a commitment to pan-African unity. These were central themes for mobilizing resistance against British rule. It is featured on the flag, national coat of arms, and the national anthem. It is also the name of Ghana’s soccer team and is proudly displayed in Black Star Square, a central meeting point in the capital. Other important symbols derived from Akan traditions that have become incorporated into the national culture include the ceremonial sword, the linguist’s staff, the chief’s stool, and the talking drum. Ghanaian national dress, kente cloth, is another source of common identity and pride. It is hand-woven into intricate patterns from brilliantly coloured silk. Men drape it around their bodies and women wear it as a two-pieced outfit. The main exports—gold

and cocoa—also stand as identifying symbols.

Emergence of the nation: Ghana is a colonial creation, pieced together from numerous indigenous societies arbitrarily consolidated, and sometimes divided, according to European interests. There is no written documentation of the region's past prior to European contact. By the time the Portuguese first established themselves on the coast in the 15th century, kingdoms had developed among various Akan-speaking and neighbouring groups and were expanding their wealth, size, and power. The Portuguese quickly opened a sea route for the gold trade, and the emergence of the "Gold Coast" quickly attracted competition from Holland, England, France, and other European countries. With the development of American plantation systems, slaves were added to the list of exports and the volume of trade expanded. The Ashanti kingdom emerged as the pre-eminent Akan political force and established its rule over several neighbouring groups and into the northern savannah. Some indigenous states on the margins of Ashanti expansion, such as Akim and Akwapem, retained their independence. Coastal peoples were able to resist conquest through alliances with European powers.

In the 19th century, England assumed dominance on the coast and developed a protectorate over the local African communities. England established the colony of the Gold Coast, including the coastal regions, Ashanti, the northern territories and beyond. The boundaries of this consolidation, which included many previously separate and independent kingdoms and tribal communities, were negotiated by the European powers to suit their strategic and economic interests. After 1918, England further complicated this arrangement by annexing the trans-Volta region from German Togoland as a spoil of World War I. The colony was administered under the system of indirect rule, in which the British controlled affairs at the national level but organised local control through indigenous rulers under the supervision of colonial district commissioners. Resistance to British rule and clamour for independence was instigated from the onset of colonial rule. Indigenous rulers formed the initial core of opposition, but were soon co-opted.

The educated westernised coastal elite soon took up the cause, and the independence movement remained under their control until the end of World War II. After the war, nationalists formed the United Gold Coast Convention and tried to broaden their base and take advantage of mass unrest that was fed by demobilisation, unemployment, and poor commodity prices. They brought in Kwame Nkrumah, a former student activist, to lead this campaign. Nkrumah soon distinguished himself from his associates and formed a more radical movement through the Convention People's Party (CPP). He gained mass support from all parts of the colony and initiated strikes and public demonstrations that landed him in jail but finally forced the British to grant them independence. The Gold Coast achieved home rule in 1951. On 6th March 1957, it became the self-governing

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country of Ghana, the first sub-Saharan colony to gain independence, and it became a republic in July, 1960. In the succeeding decades, Ghana experienced a lot of political instability, with a series of coups and an alternation between civilian and military regimes.

National identity: In spite of its disparate origins and arbitrary boundaries, Ghana has developed a modest degree of national coherence. British rule in itself provided a number of unifying influences, such as the use of English as a national language and a core of political, economic, and service institutions. Since independence, Ghanaian leaders have strengthened national integration, especially through the expansion of the educational system and the reduction of regional inequalities. They have also introduced new goals and values through the rhetoric of the independence movements, opposition to "neo-colonialist" forces, and through advocacy of pan-Africanism. A second set of common traditions stem from indigenous cultures, especially from the diffusion of Akan institutions and symbols to neighbouring groups.

Ethnic relations: Ghana contains great diversity of ethnic groups. The Akan people are the most numerous, consisting of over 40% of the population. They are followed by the Ewe, Ga, Adangme, Guan, and Kyerepong in the South. The largest northern groups are the Gonja, Dagomba, and Mamprussi, but the region contains many small decentralised communities, such as the Talensi, Konkomba, and Lowiili. In addition, significant numbers of Mossi from Burkina Faso have immigrated as agricultural and municipal workers. Nigerian Hausa are widely present as traders. Inter-group relations are usually affable and Ghana has avoided major ethnic hostilities and pressure for regional secession.

Basic economy: Ghana's position in the international economy reflects a heavy dependence on primary product exports, especially cocoa, gold, and timber. International trade accounts for one-third of Gross Domestic Product (GDP), and 70% of export income is still derived from the three major commodities. The domestic economy is primarily agricultural with a substantial service and trading sector. Industrial production comprises only 10% of national output, and consumers are heavily dependent upon imported manufactures as well as petroleum imports. Ghanaian farmers also produce local foods for home consumption and for a marketing system that has developed around the main urban centres. Rural household activities also include some food processing, including palm oil production. The fishery is quite important. A modern trawler fleet organises the offshore catch and supplies both the domestic and overseas markets. Small-scale indigenous canoe crews dominate the inshore harvest and supply the local markets. Traditional crafts have also had a long tradition of importance for items such as pottery, hand-woven cloth, carved stools, raffia baskets, and gold jewellery. There are also many tailors and cabinetmakers.

Major industries: Manufactured goods are dominated by foreign imports, but some local industries have developed, including palm oil milling, aluminum smelting, beer and soft drink bottling, and furniture manufacturing. The service sector is dominated by the government on the high end and the small-scale sector, sometimes referred to as the “informal sector,” on the low end. Education and health care are the most important public services. Transport is organised by small-scale owner-operators. Construction is handled by the public, private, or small-scale sector depending upon the nature of the project. Cocoa is grown by relatively small-scale indigenous farmers in the forest zone and is exclusively a commercial crop. It is locally marketed through private licensed traders and exported through a public marketing board. Gold is produced by international conglomerates with some Ghanaian partnership.

Much of the income from this trade is invested outside the country. Timber is also a large-scale formal-sector enterprise, but there is a trend toward developing a furniture export industry among indigenous artisans. Other exports include fish, palm oil, rubber, manganese, aluminum, fruits and vegetables. Internal trade and marketing is dominated by small-scale operations and provides a major source of employment, especially for women. Ghana is now an oil producing country. The annual inflow of revenue from crude oil and natural gas production into her economy began from the first quarter of 2011 when she started producing crude oil and natural gas in commercial quantity in 2011.⁸ At the end of 2012, declining productivity from one of the country’s largest oil projects, the Jubilee oil field, led to a decline in revenue for the government but both reserves and revenue from oil and gas are projected to rise steadily for Ghana.

Government: Although Ghana’s national government was originally founded on a British parliamentary model, the current constitution follows an American bicameral system. The country operates a multiparty democracy organised under an elected president, a legislature, and an independent judiciary. It is divided into ten administrative regions, exclusively staffed from the central government. Regions are further subdivided into local districts, organised under district assemblies. The majority of assembly members are elected, but some seats are allocated to traditional hereditary rulers. Chiefs also assume the major responsibility for traditional affairs, including stool land transfers, and are significant actors in local political rituals. They are also represented in the National House of Chiefs, which formulates general policies on traditional issues. Indigenous leaders assume hereditary positions but still must cultivate family and popular support, since several candidates within a descent line normally compete for leadership positions. Chiefs can also be deposed. On the national level, Ghana has been under military rule for a good part of its history, and army leadership has been determined by both rank and

8 <http://www.reuters.com/article/idUSL6N0DA59S20130423?irpc=932>

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internal politics. Civilian leaders have drawn support from a variety of fronts.

The first president, Nkrumah, developed a dramatic charisma and gave voice to many unrepresented groups in colonial society. KA Busia, who followed him after a military interregnum, represented the old guard and also appealed to Ashanti nationalism. Hillal Limann, the third president, identified himself as an Nkrumahist, acquiring power mainly through the area of his professional diplomatic skills. Jerry Rawlings, who led Ghana for 19 years, acquired power initially through the military and was able to capitalise on his position to prevail in civil elections in 1992 and 1996. He stepped down in 2000, and his party was defeated by the opposition, led by John Kufuor. Ghana has seven political parties.

Social problems and control: The Ghanaian legal system is a mixture of British law, applicable to criminal cases, and indigenous custom for civil cases. The formal system is organised under an independent judiciary headed by a Chief Justice and Supreme Court. Its independence, however, has sometimes been compromised by political interference, and, during Rawling's military rule, by the establishment of separate public tribunals for special cases involving political figures. These excesses have since been moderated, although the tribunal system remains in place under the control of the Chief Justice. Civil cases that concern customary matters, such as land, inheritance, and marriage, are usually heard by a traditional chief. Both criminal and civil laws are enforced by a national police force.

Religious beliefs: Christianity, Islam, and traditional African religions claim a roughly equal number of adherents. Christians and Muslims, however, often follow some forms of indigenous practice, especially in areas that do not directly conflict with orthodox beliefs. Traditional supernatural belief differs according to ethnic group. Akan religion acknowledges many spiritual beings, including the Supreme Being, the earth goddess, the higher gods (abosom), the ancestors, and a host of spirits and fetishes.

India – “The Sub-Continent”

India constitutes the largest part of the sub-continental land mass of South Asia, an area it shares with six other countries, including Nepal, Pakistan, and Bangladesh. It has highly variable landforms, which range from torrid plains, tropical islands, and a parched desert to the highest mountain range in the world. There are three dominant cultures - Indian, Hindu, Bharati.

Location and geography: India, on the southern subcontinent of Asia, is bounded on the Northwest by Pakistan; on the North by China and Tibet, Nepal and Bhutan; on the Northeast by Bangladesh and Burma (Myanmar); and on the Southwest and Southeast by the Indian Ocean, with the island republics of Sri Lanka and the Maldives to the

South. Excluding small parts of the country that are currently occupied by Chinese or Pakistani military forces, the area of the Republic of India is 1,222,237 square miles and 3,165,596 square kilometres.

Demography: The 1991 census enumerated 846,302,688 residents, including 407,072,230 women, and 217 million people defined as urban dwellers. However, with a population growth rate estimated at 17 per one thousand in 1998, by May 2000, the national population had reached one billion. Life expectancy in the 1991 census was 60 years, and in 1997 it was estimated that almost 5% of the population was age 65 or older. The population is still primarily rural, with 73% of the population in 1997 living outside the cities and towns.

Linguistic affiliations: There are four major language families, each with numerous languages. Indo-Aryan, a branch of Indo-European, covers the northern half of the country, and the Dravidian family covers the southern third. In the middle regions a number of tribal languages of the Munda or Austroasiatic family are spoken. In the North eastern hills, numerous Tibeto-Burman languages are spoken.

Symbolism: The national flag, which was adopted in 1947, is a tricolour of deep saffron, white, and green, in horizontal bands (with green at the bottom). In the centre of the white band is a blue wheel, the chakra, which also appears on the lion column-capital of the Emperor Asoka at Sarnath. This carving, which is over 2,200 years old, is also a national emblem that is preserved in the Sarnath Museum. The sandstone carving features four lions back to back, separated by wheels (chakra, the wheel of law), standing over a bell-shaped lotus. The whole carving was once surmounted by the wheel of law. The national anthem is a song composed by Rabindranath Tagore in 1911, entitled *Jana-gana mana*. The nearly useless Saka-era calendar also may be considered a national symbol, adopted in 1957 and still often used officially alongside the Gregorian calendar.

Emergence of the nation: India has a history going back thousands of years and a pre-history going back hundreds of thousands of years. The Empire of Asoka (272–232 BC.) and the Mughal Empire (1526–1707) was left to the last foreign invaders, the British, despite the extent of its existence, to establish a unified empire that covered most of the subcontinent during its final century. India was ruled by the British government after 1858 through a viceroy and a council, although several hundred “princely states” continued to maintain a measure of independence. The Indian National Congress, founded in 1885, slowly moved from a position of advisor and critic for the British adminis-

India is home to several thousand ethnic groups, tribes, castes, and religions. The castes and sub-castes in each region relate to each other through a permanent hierarchical structure

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tration toward demanding the transference of power to native Indian politicians. In 1930, the Indian National Congress, led by Jawaharlal Nehru and Mahatma Gandhi, adopted a policy of civil disobedience with a view to achieving full national independence. It was to be a long struggle, but independence was achieved in August 1947, with the condition that predominantly Muslim areas in the north would form a separate country of Pakistan. Mohammed Ali Jinnah was to be Pakistani's first prime minister, while Nehru became the prime minister of the Republic of India. The departure of the colonial authorities, including the British armed forces, was peaceful, but the splitting off of Pakistan caused a massive population movement and bloodshed on both sides as a result of "communal passions." A quarter century later, the eastern wing of Pakistan split from that country to become the independent country of Bangladesh.

National identity: National identity is not a major political issue; regional identity and the mother tongue seem to be more important. There are still millions of illiterate people who seem hardly aware that they are Indians but can be vociferous in their support of chauvinistic regional politicians. Thus, India has been plagued with secessionist struggles since independence, the most prominent of which have been a Dravidian movement in the South, an armed struggle among Kashmiri Muslims for a union of their state with Pakistan, a Khalistan movement among Panjabi Sikhs, and a guerrilla movement seeking independence for all the Naga tribes in the Northeast.

Ethnic relations: India is home to several thousand ethnic groups, tribes, castes, and religions. The castes and sub-castes in each region relate to each other through a permanent hierarchical structure, with each caste having its own name, traditional occupation, rank, and distinctive sub-culture. Tribes usually do not have a caste hierarchy but often have their own internal hierarchical organisation. The pastoral and foraging tribes are relatively egalitarian in their internal organisation. India is no stranger to ethnic conflict, especially religious wars. Nevertheless, in most parts of the country there had long been a local inter-caste and inter-tribal economy that was commonly based on barter or the exchange of goods and services; since this system satisfied economic necessities at least partially, ethnic conflict was commonly dampened or kept under control because of the mutual benefits these economic arrangements provided.

Basic economy: Farming is the largest source of employment for hundreds of millions of people. This refers to subsistence farming on tiny plots of land, whether owned or rented. In most parts of the country, some farmers produce cash crops for sale in urban markets, and in some areas, plantation crops such as tea, coffee, cardamom, and rubber are of great economic importance because they bring in foreign money. In 1996, the Gross Domestic Product (GDP) per capita was \$380, and the GDP growth rate was almost 6% from 1990 to 1996. In that period, the average annual inflation was 9%. In

1994, national debt was 27% of GDP. Over the past half century the economy has been expanding slowly but at a steady rate on the basis of a wide range of industries, including mining operations. The United States has been the principal export market in recent years, receiving 17% of exports in 1995 and 1996. Clothing, tea, and computer software are three major categories of exports to the United States.

Commercial activities: India has had many traders, transport agents, importers, and exporters since the days of the Indus civilization, 4,000 years ago. Market places have existed since that time, and coinage has been in circulation among urban people for 2500 years. In modern times, an expanding investment scene, combined with continuing inflation, has formed the background to an extensive import and export trade. The major industries continue to be tourism, clothing, tea, coffee, cotton, and the production of raw materials. In the last few years, there has been a surge in the importance of the computer software industry. Russia, the United States, Germany, and Great Britain are among the major importers of Indian products. The modern infrastructure was created by the British administration in the 19th and early 20th centuries. The country still relies on a vast network of railroad track, some of it electrified. Railroads are a government monopoly. Roadways, many of them unsurfaced, total about 1.25 million miles. The first air service, for postal delivery, grew into Air India which, along with Indian Airlines, the internal system, was nationalised in 1953. In the 1980s a number of private airlines developed within the country, while international connections are provided by a multitude of foreign companies as well as Air India.

International trade: The major trading partners are Russia, the United States, the United Kingdom, and Germany. Political animosities have long ensured that trade with neighbouring South Asian countries remains minimal, although there is now considerable trans-border trade with Nepal, Sri Lanka, Bangladesh, and Bhutan.

Symbols of stratification: There are many symbols of class differentiation because each caste tends to have its own persisting subculture. People's location in this stratification system thus can be gauged accurately according to the way they dress, their personal names, the way they speak a local dialect, the deities they worship, who they are willing to eat with publicly, the location of their houses, and especially their occupations. The combination of all these subcultural features can be a sure sign of where individuals and their families are situated in the caste hierarchy.

Government: The national system of government is a liberal democratic federal republic, making India the largest democracy in the world. The country is divided for administrative purposes into 28 linguistically-based states, in addition to seven further small "Union Territories" administered directly by the central government in New Delhi,

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the national capital. The central parliament in New Delhi consists of the House of the People (Lok Sabha) and the Council of States (Rajya Sabha). The states all have legislative assemblies (Vidhan Sabha) and legislative councils (Vidhan Parishad). Members of parliament and the state legislatures are selected in democratic elections. An exception to this procedure is that the Lok Sabha has two seats reserved for Anglo-Indian members, and of the 4,072 seats in all the state legislative assemblies, 557 have been reserved for candidates from the Scheduled Castes and a further 527 for candidates from the Scheduled Tribes. These provisions have ensured that the main minority populations have legislative representation and an interest in pursuing the electoral process. The Lok Sabha recently had sitting members from twenty one different parties. State legislatures also host a multiplicity of political parties. The head of state is the president, and there is also a vice-president, neither elected by general franchise but instead by an electoral college. The president is aided by a council of ministers, and appoints the prime minister of each government. This prime minister is the leader of the dominant party or of a coalition of prominent parties and has been elected as a member of parliament. The president has the power to dissolve government and order new elections or to dismiss a problematic state government and declare "president's rule."

Religious beliefs: In the 1991 census, 82% of the population was enumerated as Hindu. However, 12% of Indians are Muslims, a fact that makes this one of the largest Islamic nations in the world. The next largest religious category is Christians, who make up only over 2% of the population and are closely followed in number by Sikhs. The only other groups of numerical significance are the Buddhists (less than 1%) and the Jains (less than half a percent).

Indonesia – "The Land of Many Islands"

The Republic of Indonesia, the world's fourth most populous nation, has 248,216,193 people living on nearly one thousand permanently settled islands as at 2011, with a growth rate of 1.03% per annum. Some 200-300 ethnic groups with their own languages and dialects range in population from the Javanese (about 70 million) and Sundanese (about 30 million) on Java, to peoples numbering thousands on remote islands. The nature of Indonesian culture is somewhat analogous to that of India—multi-cultural, rooted in older societies and inter-ethnic relations, and developed in the 20th century nationalist struggles against a European imperialism that nonetheless forged that nation and many of its institutions.

The Republic of Indonesia, the world's fourth most populous nation, has 248,216,193 people living on nearly one thousand permanently settled islands

The name Indonesia, meaning Indian Islands, was coined by an Englishman, J. R. Logan, in

Malaya in 1850. Derived from the Greek, *Indos* (India) and *nesos* (island), it has parallels in Melanesia, "black islands"; Micronesia, "small islands"; and Polynesia, "many islands". A German geographer, Adolf Bastian, used it in the title of his book, *Indonesien*, in 1884, and in 1928, nationalists adopted it as the name of their hoped-for nation. Most islands are multi-ethnic, with large and small groups forming geographical enclaves. Towns within such enclaves include the dominant ethnic group and some members of immigrant groups.

Location and geography: Indonesia, the world's largest archipelago nation, is located astride the equator in the humid tropics and extends some 2,300 miles (3,700 kilometres) East-West, about the same as the contiguous United States. It is surrounded by oceans, seas, and straits except where it shares an island border with East Malaysia and Brunei on Borneo (Kalimantan); with Papua New Guinea on New Guinea; and with Timor Loro Sae on Timor. West Malaysia lies across the Straits of Malaka, the Philippines lies to the Northeast, and Australia lies to the South. These islands plus some others have mountain peaks of 9,000 feet (2,700 metres) or more, and there are some 400 volcanoes, of which 100 are active.

Demography: Indonesia's population increased from 119,208,000 in 1971 to 147,500,000 in 1980, to 179,300,000 in 1990, and to 203,456,000 in 2000. In the meantime, the fertility rate declined from 4.6 per thousand women to 3.3; the crude death rate fell at a rate of 2.3% per year; and infant mortality declined from 90.3 per thousand live births to 58. The fertility rate was projected to fall to 2.1% within another decade, but the total population was predicted to reach 253,700,000 by 2020. As of the middle of the twentieth century, Indonesia's population was largely rural, but at the beginning of the 21st century, about 20% lived in towns and cities and 3 of 5 people farm. Cities in both inner and outer islands have grown rapidly, and there are now 26 cities with populations over 200,000. As in many developing countries, Indonesia's population is made up of young people. Migration also plays a part in population fluctuations. Increased permanent or seasonal migration to cities accompanied economic development during the 1980s and 1990s, but there is also significant migration between rural areas as people leave places such as South Sulawesi for more productive work or farm opportunities in Central Sumatra or East Kalimantan.

Linguistic affiliation: Nearly all of Indonesia's 300-400 languages are subgroups of the Austronesian family that extends from Malaysia through the Philippines, north to several hill peoples of Vietnam and Taiwan, and to Polynesia, including Hawaiian and Maori (of New Zealand) peoples. Indonesia's languages are not mutually intelligible, though some sub-groups are more similar than others (as Europe's Romance languages are closer to each other than to Germanic ones, though both are of the Indo-European family).

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Dutch East India Company was powerful until 1799 when the company
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as to all of present Indonesia. Sporadic nineteenth century revolts against
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under harsh conditions. On 17th August 1945, following Japan's defeat in World War II, Indonesian nationalists led by Sukarno and Mohammad Hatta declared Indonesian independence. The Dutch did not accept and for five years fought the new republic, mainly in Java. Indonesian independence was later established on 27th December, 1947.

National identity: Indonesia's size and ethnic diversity has made national identity problematic and debated. Identity is defined at many levels: by Indonesian citizenship; by recognition of the flag, national anthem, and certain other songs; by recognition of national holidays; and by education about Indonesia's history and the Five Principles on which the nation is based.

Ethnic relations: Ethnic relations in the archipelago have long been a concern. Indonesian leaders recognized the possibility of ethnic and regional separatism from the beginning of the republic. War was waged by the central government against separatism in Aceh, parts of Sumatra, and Sulawesi in the 1950s and early 1960s, and the nation was held together by military force. The relationships between native Indonesians and overseas Chinese have been greatly influenced by Dutch and Indonesian government policies.

The Chinese number about four to six million, or 3% of the population, but are said to control as much as 60 % of the nation's wealth. In the colonial social system, mixed marriages between Chinese men and indigenous women produced half-castes (*peranakan*), who had their own organisations, dress, art forms, and even newspapers. The same was true for people of mixed Indonesian - European descent (called *Indos*, for short). Ethno-linguistic groups reside mainly in defined areas where most people share much of the same culture and language, especially in rural areas. Exceptions are found along borders between groups, in places where other groups have moved in voluntarily or as part of transmigration programmes, and in cities. Such areas are few in Java, for example, but more common in parts of Sumatra.

Basic economy: About 60% of the population are farmers who produce subsistence and market-oriented crops such as rice, vegetables, fruits, tea, coffee, sugar, and spices. Large plantations are devoted to oil palm, rubber, sugar, and sisal for domestic use and export, though in some areas rubber trees are owned and tapped by farmers. Common farm animals are cattle, water buffalo, horses, chickens, and, in non-Muslim areas, pigs. Both freshwater and ocean fishing are important to village and national economies. Timber and processed wood, especially in Kalimantan and Sumatra, are important for both domestic consumption and export, while oil, natural gas, tin, copper, aluminum, and gold are exploited mainly for export. In colonial times, Indonesia was characterized as having a "dual economy." One part was oriented to agriculture and small crafts for domestic consumption and was largely conducted by native Indonesians; the other part was

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export-oriented plantation agriculture and mining (and the service industries supporting them), and was dominated by the Dutch and other Europeans and by the Chinese. Though Indonesians are now important in both aspects of the economy and the Dutch/European role is no longer so direct, many features of that dual economy remain, and along with it are continuing ethnic and social dissatisfactions that arise from it. The severe economic downturn in the nation and the region after 1997, and the political instability with the fall of Suharto, drastically reduced foreign investment in Indonesia, and the lower and middle classes, particularly in the cities, suffered most from this recession.

Major industries: Indonesia's major industries involve agro-business, resource extraction and export, construction, and tourism, but a small to medium-sized industrial sector has developed since the 1970s, especially in Java. It serves domestic demand for goods (from household glassware and toothbrushes to automobiles), and produces a wide range of licensed items for multinational companies.

Exploration for oil in Indonesia dates back to 1871, with the first commercial production beginning in 1885, although most of its natural resources remained untapped until it gained independence and became a Republic in 1945. With independence, the oil, oil fields, refineries and supplies seized by the Japanese invasion force were returned to the Indonesian Government, and the new era of Indonesian energy exploration and production began. The State Constitution of 1945 decreed that "All of Indonesia's land, water and natural resources are controlled by the State and will be utilized for the greatest benefit and welfare of its people". Oil and gas has played an instrumental role in Indonesia's economic development, with energy companies, both foreign and domestic, working in partnership with state bodies to find and produce oil, gas and geothermal energy. In the Asia Pacific region, Indonesian oil production is second only to China, and its gas production is second to none. The growth in Indonesian oil production was dramatic over the decade, leading up to its first peak in 1977, more than tripling in volume to 1.6 million barrels per day. After this initial stage, production fell until secondary and tertiary technology, production optimization and the development of new fields reversed the trend and brought production back up to peak volume again in 1995. Since then, production has declined steadily, due to diminishing yields from the nation's mature oil fields.⁹

Government: During 2000, Indonesia was in deep governmental crisis and various institutions were being redesigned. The 1945 constitution of the republic, however, empowered six organs of the state: the People's Consultative Assembly (Majelis Permusyawaratan Rakyat, or MPR), the presidency, the People's Representative Council (Dewan Perwakilan Rakyat, or DPR), the Supreme Advisory Council (Dewan Pertimbangan Agung), the

⁹ Indonesia Oil and Gas Investment and Taxation Guide August 2011- 4th Edition PWC

State Audit Board (Badan Pemeriksa Keuangan), and the Supreme Court (Mahkamah Agung). The president is elected by the MPR, which consists of one thousand members from various walks of life -farmers to businesspeople, students to soldiers -who meet once every five years to elect the president and endorse his or her coming five-year plan. The DPR legislates and has five hundred members, but its statutes must be approved by the president. The Supreme Court can hear cases from some three hundred subordinate courts in the provinces but cannot impeach or rule on the constitutionality of acts by other branches of government.

The civil and military services, dominant institutions since the republic's founding, are built upon colonial institutions and practices. The New Order regime increased central government authority by appointing heads of sub-districts and even villages. Government service brought salaries, security, and pension (however modest it may had been) and was highly prized. Economic expansion made private sector positions —especially for trained professionals — more available, more interesting, and much more lucrative. Neither the number of civil service positions nor salaries have grown comparably.

Social problems and control: At the end of the colonial period, the secular legal system was divided between natives (mainly for areas governed indirectly through princes) and government (for areas governed directly through administrators). The several constitutions of the republic between 1945 and 1950 validated colonial law that did not conflict with the constitution, and established three levels of courts: state courts, high courts (for appeal), and the supreme court. Customary law is still recognized, but native princes who were once responsible for its management no longer exist and its position in state courts is uncertain. Indonesians inherited from the Dutch the notion of "a state based upon law" (*rechtsstaat* in Dutch, *negara hukum* in Indonesian), but implementation has been problematic and ideology triumphed over law in the first decade of independence. Pressure for economic development and personal gain during the New Order led to a court system blatantly subverted by money and influence.

Many people became disenchanted with the legal system, though some lawyers led the fight against corruption and for human rights, including the rights of those affected by various development projects. A national human rights commission was formed to investigate violations in East Timor and elsewhere, but had relatively little impact. One sees the same disaffection from the police, which were a branch of the military until the end of the New Order. Great emphasis was placed upon public order during the New Order, and military and police organs were used to maintain a climate of caution and fear among not just lawbreakers but also among ordinary citizens, journalists, dissidents, labour advocates, and others who were viewed as subversive. Extra-judicial killings of alleged criminals and others were sponsored by the military in some urban and rural

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areas, and killings of rights activists, particularly in Atjeh, continued.

The media, which were free after severe New Order controls, were able to report daily on such events. In 1999–2000, vigilante attacks against suspected law breakers were on the rise in cities and some rural areas, as there was an increase in violent crime. Compounding the climate of national disorder were violence among refugees in West Timor, sectarian killing between Muslims and Christians in Sulawesi and Maluku, and separatist violence in Atjeh and Papua; in all of which, elements of the police and military were seen to be participating, even fomenting, rather than controlling. International surveys had rated Indonesia among the most corrupt nations in the world. Much of it involved sharing the wealth between private persons and officials, and Indonesians noted that bribes had become institutionalised. Both the police and the judiciary were weak and subject to the same pressures.

Religious beliefs: Indonesia has the largest Muslim population of any nation, and in 1990 the population was reported to be 87% Muslim. There is a well-educated and influential Christian minority (about 9.6% of the population in 1990), with about twice as many Protestants as Catholics. The Balinese still follow a form of Hinduism. Mystical

Dissidents have wanted to make Indonesia a Muslim state, but they have not succeeded.

cults are well established among the Javanese elite and middle class, and members of many ethnic groups still follow traditional belief systems. Officially, the government recognizes religion (agama) to include Islam, Christianity, Hinduism, and Buddhism, while other belief systems are called just that, beliefs (kepercayaan). Those who hold beliefs are subject to conversion; followers of religion are not. Belief in ancestral

spirits, spirits of diverse sorts of places, and powerful relics are found among both peasants and educated people and among many followers of the world religions; witchcraft and sorcery also have their believers and practitioners. Dissidents have wanted to make Indonesia a Muslim state, but they have not succeeded.

Malaysia – “The Sea Turtle, the Hibiscus Flower, and the Orangutan”

The name Malaysia comes from an old term for the entire Malay Archipelago. Outsiders often mistakenly refer to Malaysians as simply “Malays,” reflecting only one of the ethnic groups in the society. Malaysians refer to their national culture as *kebudayaan Malaysia* in the national language. Within Malaysian society there is a Malay culture, a Chinese culture, an Indian culture, a Eurasian culture, along with the cultures of the indigenous groups of the peninsula and north Borneo. A unified Malaysian culture is something that is only just emerging in the country.

The important social distinction in the emergent national culture is between Malay

and non-Malay, represented by two groups: the Malay elite that dominate the country's politics, and the largely Chinese middle class whose prosperous lifestyle leads Malaysia's shift to a consumer society. The two groups mostly live in the urban areas of the Malay Peninsula's west coast, and their sometimes competing and parallel influences shape the shared life of Malaysia's citizens. Sarawak and Sabah, the two Malaysian states located in north Borneo, tend to be less of an influential part of the national culture, and their vibrant local cultures are shrouded by the bigger, wealthier peninsular society.

Location and geography: Malaysia is physically split between west and east parts which eventually became united into one country in 1963. Western Malaysia is on the southern tip of the Malay Peninsula, and stretches from the Thai border to the Island of Singapore. Eastern Malaysia includes the territories of Sabah and Sarawak on the North end of Borneo, separated by the country of Brunei. Peninsular Malaysia is divided into West and East by a central mountain range called the Banjaran Titiwangsa. Most large cities, heavy industry, and immigrant groups are concentrated on the West Coast. The East Coast is less populated, more agrarian, and demographically more Malay. The federal capital is in the old tin mining centre of Kuala Lumpur, located in the middle of the western belt, later moved to Kuala Lumpur suburb of Putra Jaya.

Demography: Malaysia's population comprises 23 million people, and throughout its history the territory has been sparsely populated relative to its land area. The estimated population at 2010 was 26,160, 256 which was growing at 1.7% per annum. The population that live on the peninsula is 80%. The most important Malaysian demographic statistics are of ethnicity: 60% are classified as Malay, 25% are of Chinese descent, 10% of Indian descent, and 5% as others. These population figures have an important place in the Peninsula's history, because Malaysia as a country was created with demography in mind. Malay leaders in the 1930s and 1940s organised their community around the issue of curbing immigration. After independence, Malaysia was created when the Borneo territories with their substantial indigenous populations were added to Malaya as a means of exceeding the great number of Chinese and Indians in the country.

Linguistic affiliation: Malay became Malaysia's sole national language in 1967 and has been institutionalized with a modest degree of success. The Austronesian language has an illustrious history as a lingua franca throughout the region, though English is also widely spoken because it was the administrative language of the British colonisers. Along with Malay and English other languages are popular. Many Chinese Malaysians speak some combination of numerous languages among aboriginal groups in the peninsula, especially in Sarawak and Sabah. The Malaysian government acknowledges this multi-lingualism through such things as television news broadcasts in Malay, English, Mandarin, and Tamil. Given their country's linguistic heterogeneity, Malaysians are adept at learning

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languages, and knowing multiple languages is commonplace. Rapid industrialization has sustained the importance of English and solidified it as the language of business.

Symbolism: The selection of official cultural symbols is a source of tension. In such a diverse society, any national emblem risks imposing one group over another. For example, the king is the symbol of the state, as well as a sign of Malay's political hegemony. Since ethnic diversity rules out the use of kin or blood metaphors to stand for Malaysia, the society often emphasises natural symbols, including the sea turtle, the hibiscus flower, and the orang-utan. The country's economic products and infrastructure also provide national logos for Malaysia; the national car (Proton), Malaysia Airlines, and the Petronas Towers (the world's tallest buildings) have all come to symbolise modern Malaysia. The government slogan "Malaysia Boleh!" (Malaysia Can) is meant to encourage even greater accomplishments. A more humble, informal symbol for society is a salad called *rojak*, a favourite Malaysian snack, whose eclectic mix of ingredients evokes the population's diversity.

Emergence of the nation: A geographically truncated Malaysia emerged out of the territories colonised by Britain in the late 19th and early 20th centuries. Britain's representatives gained varying degrees of control through agreements with the Malay rulers of the peninsular states, often made by deceit or force. Britain was attracted to the Malay Peninsula by its vast reserves of tin, and later found that the rich soil was also highly

Throughout Malaysia's brief history, the shape of its national identity has been a crucial question: should the national culture be essentially Malay, a hybrid, or separate ethnic entities?

productive for growing rubber trees. Immigrants from south China and south India came to British Malaya as labourers, while the Malay population worked in small holdings and rice cultivation. What was to become East Malaysia had different colonial administrations: Sarawak was governed by a British family, the Brookes (styled as the „White Rajas”), and Sabah was run by the British North Borneo Company. Together the cosmopolitan hub of British interests was Singapore, the central port and centre of publishing, commerce, education,

and administration. The climactic event in forming Malaysia was the Japanese occupation of Southeast Asia from 1942-1945. Japanese rule helped to invigorate a growing anti-colonial movement, which flourished following the British return after the war. When the British attempted to organise their administration of Malaya into one unit to be called the Malayan Union, strong Malay protests to what seemed to usurp their historical claim to the territory, forced the British to modify the plan. The other crucial event was the largely Chinese communist rebellion in 1948 that remained strong to the mid-1950s. To address Malay criticisms and to promote counter-insurgency, the British undertook a vast range of nation-building efforts. Local conservatives and radicals alike developed their own attempts to foster unity among the disparate Malayan population. These grew

into the Federation of Malaya, which gained independence in 1957. In 1963, with the addition of Singapore and the north Borneo territories, this federation became Malaysia. Difficulties of integrating the predominately Chinese population of Singapore into Malaysia had remained, and under Malaysian directive, Singapore became an independent republic in 1965.

National identity: Throughout Malaysia's brief history, the shape of its national identity has been a crucial question: should the national culture be essentially Malay, a hybrid, or separate ethnic entities? The question reflects the tension between the indigenous claims of the Malay population and the cultural and citizenship rights of the immigrant groups. A tentative solution came when the Malay, Chinese, and Indian elites, who negotiated independence, struck what has been called "the bargain." Their informal deal exchanged Malay political dominance for immigrant citizenship and unfettered economic pursuit. Some provisions of independence were more formal, and the constitution granted several Malays "special rights" concerning land, language, the place of the Malay Rulers, and Islam, based on their indigenous status, including the Borneo territories and Singapore in Malaysia which revealed the fragility of "the bargain."

Basic economy: Malaysia has long been integrated into the global economy. Through the early decades of the 20th century, the Malay Peninsula was a world leader in the production of Tin (sparked by the Western demand for canned food) and natural rubber (needed to make automobile tyres). The expansion of Malaysia's industrialisation heightened its dependence on imports for food and other necessities. Basic necessities in Malaysia have fixed prices and, like many developing countries, banking, retail, and other services, are tightly regulated. The country's commerce correlates with ethnicity, and government involvement has helped Malays to compete in commercial activities long dominated by ethnic Chinese.

Given the liberalisation of business and finance proceeds with these ethnic dynamics in mind, the boom and bust in primary commodities such as rubber and tin have given Malaysian society a cyclical rhythm tied to fickle external demand. In the 1970s the government began to diversify the economy (helped by an increase in oil exports) and Malaysia is now well on its way to becoming an industrial country. The country has a growing automotive industry, a substantial light-manufacturing sector (textiles, air conditioners, televisions, etc.), and an expanding high technology capacity (especially semi-conductors).

Malaysia's prominent place in the global economy as one of the world's top twenty largest trading nations is an important part of its identity as a society.

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The discovery of oil in Sarawak in 1910 had provided the bedrock for the development of Malaysia's present day oil and gas industry. It created opportunities for many oil majors such as Shell, Esso (now known as ExxonMobil) and others to invest in the upstream and downstream sectors of the industry. It also provided employment and skills transfer to thousands of Malaysians and changed the economic landscape of the country forever. To date, Malaysia has about 28.35 billion barrels of oil (BBOE) reserves and about 1.2% of the world's natural gas reserves (2.35 trillion cubic metres) of proven reserves. Malaysia has a current production rate of 730,000 (Seven Hundred and Thirty Thousand) barrels per day of crude oil products¹⁰.

Malaysia's prominent place in the global economy as one of the world's top twenty largest trading nations is an important part of its identity as a society. Primary trading partners include Japan, Singapore, and the United States, with Malaysia importing industrial components and exporting finished products. Palm oil, rubber, tropical hardwoods, and petroleum products are important commodities.

Government: Malaysia's government is nominally headed by the king whose position rotates among the nine hereditary Malay rulers every five years. The king selects the prime minister from the leading coalition in parliament, a body which is further divided into the elected representatives of the Dewan Rakyat and the appointed senators of the Dewan Negara. Since independence, Malaysian national elections have been won by a coalition of ethnic-based political parties. Initially known as the Alliance, and, following the 1969 unrest, as the National Front, this coalition was itself dominated by the United Malays National Organisation (UMNO), a party composed of Malay moderates. UMNO rule was aided by the gerrymandered parliamentary districts that over-represent rural Malay constituencies. The UMNO president has always become Malaysia's prime minister, so the two thousand delegates at the biannual UMNO General Assembly are the real electoral force in the country, choosing the party leadership that in turn leads the country. Malaysian political leaders demand a great deal of deference from the public. The Malay term for government, *kerajaan*, refers to the raja who ruled from the pre-colonial courts. High-ranking politicians are referred to as *yang berhormat* (he who is honoured), and sustain remarkable resiliency in office.

Social problems and control: Through its colonial history, British Malaya had one of the largest per capita police forces of all British colonies. Police power during the communist rebellion - the Emergency- also expanded the influence of the police Special Branch intelligence division. Malaysia retains aspects of a police state. Emergency regulations for such things as detention without trial (called the Internal Security Act) remain in use. The police are a federal rather than local institution and police quarters

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(especially in more isolated rural areas) still have the bunker-like design necessary for confronting an armed insurgency. Malaysia is close to the opium producing areas of the "Golden Triangle" where Burma, Thailand, and Laos meet. Drug possession in Malaysia carries a mandatory death sentence.

Religious beliefs: Nearly all the world religions, including Islam, Buddhism, Hinduism, and Christianity are present in Malaysia. Religion correlates strongly with ethnicity, with most being Muslim Malay, Hindus Indian, and Buddhists Chinese. The presence of such diversity heightens the importance of religious identity, and most Malaysians have a strong sense of how their religious practice differs from that of others (therefore a Malaysian Christian also identifies as a non-Muslim). Tension between religious communities is modest. The government is most concerned with the practices of the Muslim majority, since Islam is the official religion (60% of the population is Muslim). Debates are formed most often over the government's role in religious life.

Singapore – "The City of the Lion"

The name "Singapore" is derived from Singa-pura ("City of the Lion"), a commonly used term since the 14th century. The main cultural traditions are Malay, Indian, Chinese, and to some extent Western (British). The different communities do not regard themselves as sharing a culture; instead, they consider themselves parts of a whole. This is illustrated by reference to a popular local dish, Rojak, a salad in which the various ingredients are covered by the same peanut sauce, forming a distinct whole with each ingredient clearly discernible. The peanut sauce is Singaporeanness; the other ingredients are the different cultural traditions.

Location and geography: Singapore lies at the tip of the Malay Peninsula. It borders Malaysia, Indonesia, and Brunei. Its area is 248 square miles (642 square kilometres), including the main island and some sixty islets. The main island is flat with a hilly region in the middle. The highest point is Bukit Timah, feet (206 metres) above sea level. The climate is tropical with high humidity and abundant rainfall, especially during the northeast monsoon in December to March. The period of the southwest monsoon (June to September) is usually the driest. The main island is fully urbanised with a dense commercial city centre to the south. Around the city centre are new townships that house about 86% of the population. The townships are self-contained and have high-rise apartment blocks, shops, medical and social service buildings, religious buildings, and schools.

Demography: Singapore has an estimated population of 5,353,494 in 2012, with a growth rate of 1.993% per annum, of which 4.2 million are citizens and permanent residents, others are mainly foreigners. The Chinese constitute about 78%, the Malays 14%, the Indians 7%, and others 1% of the population. The ethnic composition of the

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population has been relatively stable.

Linguistic affiliation: Singapore is a multilingual state. The national language is Malay, and the four official languages are Malay, English, Indian (Tamil), and Chinese (Mandarin). English is the administrative language and the medium of instruction in schools. Pupils also choose one of the “mother tongues”: Malay, Tamil, and Chinese. There are various sub dialects of the different languages.

Symbolism: Economic prosperity and political stability are associated with the national culture, as is the Singaporean concept *kiasu*. *Kiasu* means “afraid to lose” and refers to the wish to come first in lines, competitions, negotiations, and so forth. Some say *kiasu* keeps standards high, but others claim it leads to a graceless society. The flag is divided into equal red and white horizontal sections symbolising unity and purity. A white crescent moon and five stars in a circle symbolise a growing nation and the ideals of democracy, peace, progress, justice, and equality. The national anthem and national motto are in Malay. Other symbols draw on the distinct ethnic traditions. Chinese, Malays, and Indians draw on symbolic materials and ritual practices from their own traditions and for their own purposes.

Emergence of the nation: Singapore emerged as a nation after 1965. For nearly 150 years it had been a British colony that was intimately linked to the whole Malay Peninsula. Singapore came into being as a British trade port in 1819 and continued as one of the three British “Strait Settlements”. In that period, Malays from nearby areas, large numbers of

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immigrants from China, and later Indian convict labourers moved into the island. The British did little to integrate the population, largely leaving each community to itself. Singapore gained independence in 1959 and joined the Union of Malaya in 1963 but was expelled in 1965. The next five years were marked by the “policy of survival.” From 1945 until the early 1970s, the island had severe housing shortages and a poor infrastructure, high criminality and unemployment, racial riots, and communist uprisings. The “survival policy” was based on the attraction of foreign investment

through low taxes, the development of an efficient infrastructure, a disciplined workforce, and strict political control. In 30 years Singapore changed from a rough trading port to a rich, orderly, industrialized society. The remembrance of social and economic difficulties influenced the development of a national culture with a focus on wealth and stability and the idea of multi-culturalism.

National identity: There is no single dominant national identity. Instead, there are complex identities that draw on a variety of sources and are relevant in different situations,

although ethnic identity takes precedence in most situations.

Ethnic relations: Cultural links to India, China, Malaysia, and Indonesia give Singaporeans orientations and loyalties that stretch far beyond the national borders. These differences are superseded by an identification with Singapore as a homeland with wealth and stability. Distance and distinction mark ethnic relations within the country.

Basic economy: Singapore has a fully developed industrial international economy. The country depends heavily on imports, as there are few natural resources on the island. There has been a consistent surplus in the overall balance of payments. There is a large degree of state control of the economy. The petroleum industry in Singapore is accountable for part of the country's economy, exporting about 68,100,000 tons of oil in 2007. Singapore is dubbed "the undisputed oil hub in Asia", with the country's oil industry responsible for 5% of the country's Gross Domestic Product (GDP).

Commercial activities, major industries and trade: Manufacturing is the most important economic sector, followed by financial and business services, commerce, transportation, and communications. Production is mainly for export. The main exports are electronics, refined petroleum products, natural rubber, and palm oil. The main trading partners are Malaysia, the European Union (EU), the United States, Hong Kong, and Japan.

Government: Singapore is a republic with a parliamentary system. The head of state is the president, who is elected for a fixed term of six years. The parliament is elected in a general compulsory election every five years. There are also six nominated members of the parliament. The cabinet is the executive organ of the state, and execution of government policies is carried out by ministries and statutory boards. The People's Action Party (PAP) has maintained a large majority in the parliament since 1965, with only a few seats held by politicians from opposition parties. The road to a political position through the cadre system of the PAP lies in educational and professional merit as well as loyalty. The other parties are led by politicians with strong personalities.

Social problems and control: The crime rate is low. The judiciary system is based on the British legal system. The death penalty is imposed for drug smuggling, and caning is still used as punishment. In addition, there are fines or other penalties for a wide range of transgressions, such as throwing litter on the floor, urinating in the elevator, and engaging in politics outside registered political parties.

Religious beliefs: There is freedom of religion with some exceptions. Singapore has been described as one of the most religious countries in the world. The major religions are Islam (Malay), Hinduism (Indians), Buddhism, Taoism, and folk religion

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(Chinese), along with a substantial number of Christians of various denominations. Religious experts vary from formally installed priests and teachers, representing the institutionalised religions to self-ordained shamans, healers, and sorcerers. The many Chinese and Indian temples, Malay mosques, and Christian churches are the main public arenas for religious activities.

South Africa – “The Land of the Long Walk to Freedom”

South Africa is the only nation-state named after its geographic location. There was a general agreement not to change the name after the establishment of a constitutional non-racial democracy in 1994. The country came into being through the 1910 Act of Union that united two British colonies and two independent republics into the Union of South Africa. After the establishment of the first colonial outpost of the Dutch East India Company at Cape Town in 1652, South Africa became a society officially divided in twos - colonizer and native, white and non-white, citizen and subject, employed and indentured, lastly, free and slave. The result was a fragmented national identity symbolised and implemented by the white minority government's policy of racial separation. Economic status had paralleled political and social segregation and inequality, with the black African, mixed-race (“Coloured”), Indian and Pakistani (“Asian”) population groups experiencing dispossession and a lack of legal rights. Since the first non-racial elections in 1994, the ruling African National Congress (ANC) has attempted to overcome this legacy and create unified national loyalties on the basis of equal legal status and an equitable allocation of resources.

Location and geography: South Africa has an area of 472,281 square miles (1,223,208 square kilometres). It lies at the southern end of the African continent, bordered on the North by Namibia, Botswana, Zimbabwe, Mozambique, and Swaziland, on the East and South by the Indian Ocean; and on the West by the Atlantic Ocean. The independent country of Lesotho lies in the middle of East-central South Africa. Among the prominent features of the topography is a plateau that covers almost two thirds of the centre of the country.

Demography: The population number is estimated to be 48,810,427 in 2012 with a growth rate of -0.412%. There are eight officially recognised Bantu-speaking groups – white Afrikaners from Dutch, likewise French, and German settlers who speak Afrikaans, a variety of Dutch, English-speaking descendants of British colonists; a mixed-race population that speaks Afrikaans or English; and an immigrant Indian population that speaks primarily Tamil and Urdu. A small remnant of Khoi and San aboriginal populations live in the extreme northwest. Rural areas were inhabited primarily by Bantu speakers (Black African) and Coloured (Khoisan, European, Southeast Asian, and Bantu African) speakers of Afrikaans. The largest language group, the Zulu, numbers about nine million but does not represent a dominant ethnic grouping. Black Africans make up about 77% of the

population, while whites about 11%, the Coloured about 8%, Indians make up over 2%, and other minorities less than 2%. Most South Africans live in urban areas, with 20% of the population residing in the central province of Gauteng, which contains Johannesburg, the surrounding industrial towns, and Pretoria, the administrative capital.

Linguistic affiliation: South Africa has 11 official languages, a measure that was included in the 1994 constitution to equalize the status of Bantu languages with Afrikaans, which under the white minority government had been the official language along with English. Afrikaans is still the most widely used language in everyday conversation, while English dominates in commerce, education, law, government, formal communication, and the media. English is becoming a lingua franca of the country, but strong attachments to ethnic, regional, and community linguistic traditions remain. Linguistic nationalism among ethnic groups such as the Afrikaners remains an important feature of political life.

Symbolism: The nation's racially, ethnically, and politically divided history has produced national and sub-national symbols that still function as symbols of the country. The monuments to white settler conquest and political dominance, such as the Afrikaner Voortrekker ("pioneer") monument in Pretoria and the Rhodes Monument, honouring the British colonial empire builder and Cape Prime Minister, Cecil Rhodes, remain sectarian symbols. Government buildings that once represented the white minority but now house national democratic institutions, such as the union buildings in Pretoria and the parliament building in Cape Town, have become national symbols. The nation's wildlife, much of it housed in Kruger National Park, has replaced white "founding fathers" on the currency since 1994. Cape Town's Table Mountain remains the premier geographic symbol. Symbols of pre-colonial and colonial African nationalism such as the Zulu king, Shaka have been promoted to national prominence. Names and symbols of previous rulers have been retained, such as the Kruger National Park and Pretoria, both named after prominent Afrikaner founding fathers, and the springbok, an antelope that is the emblem of the national rugby team. The national flag is a very strong symbol of freedom and was adopted in 1994 at Nelson Mandela's inauguration. The coat of arms is also an important symbol.

Emergence of the nation: South Africa has early human fossils at Sterkfontein and other sites. The first modern inhabitants were the San ("bushman") hunter-gatherers and the Khoi ("Hottentot") peoples, who herded livestock. The San may have been present for thousands of years and left evidence of their presence in thousands of ancient cave paintings ("rock art"). Bantu-speaking clans that were the ancestors of the Nguni (today's

National identity comes first for all black people...Overall, national identity has been forged through a struggle among peoples who have become compatriots.

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amaZulu, amaXhosa, amaSwazi, and vaTsonga peoples) and Tswana-Sotho language groups (today's Batswana and Southern and Northern Basotho) migrated down from East Africa as early as the 15th century.

The Dutch East India Company established a resupply station at Cape Town in 1652. The company was only interested in acquiring goods to resupply its ships. The local Khoisan peoples refused to provide these goods on terms set by the company. Hence, the Europeans then drove most of the natives into the interior and relied on European farmers (known as Boers) and imported African slave labour to work the land¹¹. In resisting colonial expansion, black African rulers founded sizable and powerful kingdoms and nations by incorporating neighbouring chieftaincies. The result was the military expansion of the Zulu Kingdom (which was later annexed into Natal colony), Xhosa, Pedi, Venda, Swazi, Sotho, Tswana, and Tsonga nations.

British acquisition of the Cape at the beginning of the 19th century accentuated divisions between local settlers and metropolitan rulers. When the British abolished slavery in 1834, the pattern of white legal dominance was entrenched. Desperate for more land and fearful of losing all of their black labour, many Boer families in the 1830s, they marched into the interior of South Africa to establish their own communities, free of British rule. The Boers formed two republics in the interior, the South African Republic (the region known as the Transvaal) and the Orange Free State. The South African War (1899–1902) between the British and the two Afrikaner republics resulted in the ultimate unification of the country. After several years of negotiations, the South Africa Act 1909 brought the colonies and republics – Cape Colony, Natal, Transvaal, and Orange Free State – together as the Union of South Africa where it remained British territory, but with home-rule for Afrikaners (as the Boers increasingly referred to themselves after the South African War)¹²

In 1934, the Union of South Africa parliament enacted the Status of the Union Act, which declared the country to be “a sovereign independent state”. The move followed on from Britain’s passing of the Statute of Westminster in 1931, which removed the last vestiges of British legal authority over South Africa¹³. In 1948, the Afrikaner National Party, running on a platform of racial segregation and suppression of the black majority known as apartheid (“separateness”), came to power in a whites-only election. Only whites were permitted to vote in general elections from 1958 until 1994, when the right to vote was granted to all South Africans over age 18. The 1994 non-racial election was the first post-apartheid vote based on universal suffrage where Nelson Rolihlahla Mandela

11 <http://www.nationsonline.org/oneworld/History/South-Africa-history.htm>

12 http://en.wikipedia.org/wiki/History_of_South_Africa

13 <http://www.countrystudies.us/south-africa/89.htm>

emerged president under the African National Congress. This is celebrated till date as the official Independence Day of South Africa and is also called "Freedom Day".

National identity: Strong cultural loyalties to African languages and local political structures such as the kingdom and the chieftaincy remain an important component of identity. National identity comes first for all black people, but belonging to an ethnic, linguistic, and regional grouping and even to an ancestral clan is an important secondary status. People once officially and now culturally classified as Coloured regard themselves as South Africans, as they are a residual social category and their heritage is a blend of all the other cultural backgrounds. Overall, national identity has been forged through a struggle among peoples who have become compatriots. Since 1994, the democratic majority government has avoided imposing a unified national identity and instead, encouraging social integration through commitment to a common national future.

Ethnic relations: A strong sense of ethnic separateness or distinctiveness coincides with well-established practical forms of co-operation and common identification. The diversity and fragmentation within ethnic groupings and the balance of tensions between those groups during the 20th century prevented inter-ethnic civil conflict. While inter-group tensions over resources, entitlements, and political dominance remain, those conflicts are as likely to pit Zulu against Zulu, as Zulu against Xhosa or African against Afrikaner.

Basic economy: South Africa accounts for 40% of the Gross National Product (GNP) of sub-Saharan Africa, but until the late 19th century, it had a primarily agricultural economy that had much marginally productive land and was dependent on livestock farming. In 1867, the largest diamond deposits in the world were discovered at Kimberley in the West central area. The wealth from those fields helped finance the exploitation of the greatest gold reef in the world, which was discovered on the Witwatersrand in 1886. Above this gold vein rose the city of Johannesburg. Despite the discovery of new gold deposits in the Orange Free State in the early 1950s, the mining industry is now in decline.

South Africa has shifted from a primary and secondary economy in the mid-twentieth century to an economy driven primarily by the tertiary sector in the present day which accounts for an estimated 65% of her GDP or \$230 billion in nominal GDP terms. The country's economy is reasonably diversified with key economic sectors, including mining, agriculture and fisheries, vehicle manufacturing and assembly, food processing, clothing and textiles, telecommunication, energy, financial and business services, real estate, tourism, transportation, and wholesale and retail trade

Commercial activities: Since Cape Town was founded in 1652 as a refreshment, refitting, and trading station of the Dutch East India Company, international commerce

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has played a central role in the development of the nation. Local black societies did not engage in significant trade, being self-sufficient pastoral economies, and there were no local market centres or long distance trading systems. With the advent of colonial forms of production, black Africans quickly adapted to commercial agricultural production. Their ability to out produce white settler farms that employed European technology and an African family labour system was a factor in colonial dispossession and enforced wage labour in rural areas. Until the 1920s, itinerant traders sold manufactured items to African communities and isolated white farms and small farming towns.

After 1910, formerly indentured sugar workers from India left these plantations and formed wealthy trading communities. Industries grew after the South African War, and during World War I, South Africa supplied weapons to both sides. By the beginning of World War II, South Africa had become the only industrialized economy in Africa south of the Sahara. The legal enforcement of white commercial domination until the 1990s has left the majority of private economic and financial resources under the control of the white minority, but this imbalance is being addressed. Mining was the largest industry, with profits from diamonds, gold, platinum, coal, and rare metals accounting for the majority of foreign exchange earnings. Currently, a significant portion of those earnings comes from the ownership and management of mines in other countries, particularly in Africa. With the decline in the mining sector, other industries have emerged, including automobile assembly, heavy equipment, wine, fruit and other produce, armaments, tourism, communications and financial services. The most important trading partners are the United States and the European Union, particularly Great Britain and Germany, followed by Malaysia, Indonesia, India, and African neighbours such as Zimbabwe, Mozambique, and the Democratic Republic of Congo. Exports have surged since 1991, and the country has a trade surplus. South Africa is attempting to expand trade with its neighbours by extending its world-class urban infrastructure and industrial, communications, and financial services technologies. Political chaos and economic decline in sub-Saharan Africa, however, have delayed many of these initiatives.

Government: Political life in black African communities was centered on the hereditary chieftaincy, in which the senior son of the highest or "great wife" of a chief succeeded his father. In practice, succession was not straightforward, and brothers, older sons of other wives, and widow regents all competed for power. The first democratically elected president, Nelson R. Mandela, remains one of the most admired political figures in the world. There are nine provinces, each with a premier selected by the local ruling party and provincial ministerial executives. It operates a constitutional democracy with a three-tier system of government and an independent judiciary. The national, provincial and local levels of government all have legislative and executive authority in their own spheres, and are defined in the Constitution as "distinctive, inter-dependent and inter-related".

Religious beliefs: Despite the socialist roots of the ruling ANC, South Africa is traditionally a deeply religious country with high rates of participation in religious life among all groups. The population is overwhelmingly Christian with only very small Jewish, Muslim, and Hindu minorities.

South Korea - "Land of Morning Calm"

Koryo (918–1392) and Choson (1392–1910) were the last two Korean dynasties. Korean immigrants and their descendants in Russia, China, and Japan use the names of those dynasties as a reference of their ethnicity. Despite the continued use of Choson as a self-name in North Korea, the Japanese convention of referring to the Korean nation by that name (pronounced Chosen in Japanese) can be offensive to South Koreans because of its evocation of Japanese colonisation of the nation (1910–1945). Koreans share a common culture, but a sense of regionalism exists between Northerners and Southerners and between Southeasterners and Southwesterners in terms of customs and perceived personality characteristics. Some suggest that this regionalism dates back to three kingdoms of Koguryo (37 BC -668 BC), Silla (57 BC- 935 BC), and Paekche (18 BC -660 BC). In South Korea, politicised regionalism emerged between the southeastern (Kyongsang Province) and southwestern regions (Cholla Province) since the late 1960s as a result of an uneven pattern of development that benefits people in the Southeast.

Location and geography: South Korea occupies the southern half of the Korean peninsula, which protrudes about 620 miles (1,000 kilometres) southward from the Eurasian land mass between Soviet Siberia in the Northeast and Chinese Manchuria to the North. About 3000 islands belong to Korea, among which the Province of Cheju Island is the largest. The total area of the peninsula, including the islands, is about 85,000 square miles (222,000 square kilometres), of which about 45% or about 38,000 square miles (99,000 square kilometres) constitutes the territory of South Korea. Geopolitically, the peninsula is surrounded on three sides by the sea and by Russia, China, and Japan. Korea has suffered from the attempts of these neighbouring countries to dominate it, particularly in the 20th century. Each of them considers Korea to be of major importance to its own security, and since 1945 the United States has had a major security interest in the nation. The peninsula was divided at the 38th Parallel in an agreement between the United States and the Soviet Union at the end of World War II. Subsequently, the Military Demarcation Line established by the Armistice Agreement of 1953 to bring a cease-fire to the Korean War (1950–1953) replaced the boundary. A 2.5-mile (four-kilometre) wide strip of land that runs along the cease-fire line for about 150miles (241 kilometres) is fixed at the Demilitarized Zone (DMZ) as the no man's land between North Korea and South Korea. Korea is mountainous, and only about 20% of the land in the South is flat enough for farming. Seoul, the capital, is in the north-western part of the country on the

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Han River, which flows toward the Yellow Sea. Seoul was first established as the walled capital of the Choson Dynasty in 1394.

Demography: In 2012, the population was estimated at 48,860,500 with an annual growth rate of 0.204% per annum, holding about 1,200 persons per square mile (463 persons per square kilometre). Since the mid-1980s, when Korea stabilised at a low level of fertility, remarkably high sex ratios at birth have resulted from non-selective reproductive behaviours such as pre-natal sex screening and sex-selective abortion. Another notable demographic trend is the increasing ratio of the elderly: the 1997 census revealed that 6.3% of the total population was 65 years of age or older.

Linguistic affiliation: About 70 million people speak Korean. Most live on the peninsula, but more than 5 million live across the globe. Korean is considered part of the Tungusic branch of the Altaic group of the Ural-Altaic language family. It also has a close relationship with the Japanese in general structure, grammar, and vocabulary. The form of Korean spoken around Seoul is regarded as standard. Major dialects differ mainly in accent and intonation. Except for old Cheju dialect, all are mutually intelligible. Koreans value their native tongue and their alphabet, han'gul, which was invented in the mid-fifteenth century. Until then, Korea's aristocratic society used Chinese characters, while the government and people used the writing system known as idu (a transcription system of Korean words invented in the eighth century by Silla scholars, using Chinese characters). The Chinese writing system requires a basic knowledge of several thousand characters. Commoners, who did not have the time or means to master Chinese, could not read or write. Moreover, it is difficult to express spoken Korean in Chinese characters. Considering the frustrating situation of mass illiteracy and troubled by the incongruity between spoken Korean and Chinese ideographs, King Sejong (1397–1450), the fourth ruler (1418–1450) of the Choson Dynasty, commissioned a group of scholars to devise a phonetic writing system that would represent the sounds of spoken Korean that could be learned by all the people. The result was Hunmin Chong'um ("the Correct Sounds to Teach the People"), or Han'gul, as it is called today. The system was created in 1443 and promulgated in 1446. South Koreans observe Han'gul Day on 9th October with a ceremony at King Sejong's tomb. Han'gul is easy to learn since each letter corresponds to a phoneme, and Korea now has one of the highest literacy rates in the world. UNESCO established the King Sejong Literacy Prize in 1988 and offers it annually to an individual or group that contributes to the eradication of illiteracy worldwide.

Symbolism: The national flag, T'aegukki, is a unique symbol. The flag of T'aeguk ("Supreme Ultimate"), symbolises the basic ideas of East Asian cosmology shared by the peoples in the Chinese area. In the centre of a white background is a circle divided horizontally in two by an S-shaped line. The upper portion in red represents the yang, and the lower portion

in blue symbolises the um (yin in Chinese), depicting the yinyang principle of a universe in perfect balance and harmony. The three unbroken lines in the upper left corner represent heaven while the three broken lines placed diagonally in the lower right corner represent the earth. The trigram in the upper right corner represents water, while the one placed diagonally at the lower left corner represents fire. In contrast to the cosmological symbolism in the flag, the national anthem, Aegukka, conjures a sense of the national identity of the Taehan people by making territorial references to the East Sea (Sea of Japan), Paektusan ("White Head Mountain," on the northern border with China), and the beautiful land of mugunghwa (the rose of Sharon, the national flower). The phrase samch'ol-li kangsan ("three-thousand-land of range and river"), which is included in the national anthem, refers to the national territory. The phrase han p'it-chul ("one bloodline") often is used by Koreans at home and abroad to symbolise their shared identity as the members of a homogeneous nation. Blood and territory thus are the most frequently invoked metaphors associated with the nation. National days of celebration include Liberation Day (Kwangbokchol) on 15th August and National Foundation Day (Kaech'onjol) on 3rd October. Kwangbokchol (the Day of Recovering the Light) celebrates the nation's liberation from Japanese colonial rule in 1945. Kaech'onjol (Heaven Opening Day) commemorates the founding of the first Korean kingdom, KoChoson, by the legendary priest-king Tan'gun Wanggom.

Emergence of the nation: The Korean peninsula has been inhabited for more than half a million years, and a Neolithic culture emerged around 6,000 BC. The legendary beginning date of the Korean people is said to be 2333 BC., when Tan'gun established the kingdom of Choson ("Morning Freshness," often translated as the "Land of Morning Calm") around today's P'yongyang. To distinguish it from the later Choson Dynasty, it is now referred to as Ko ("Old") Choson. In the legend, Tan'gun was born of a divine father, Hwan-ung, a son of the heavenly king, and a woman, who had been transformed from a bear. The bear and a tiger had pleaded with Hwan-ung to transform them into human beings. Only the bear achieved the transformation by following Hwanung's instructions, which included a hundred-day seclusion to avoid sunlight and the ingestion of a bunch of mugwort (ssuk) and 20 pieces of garlic. This bear turned woman then married Hwan-ung, and their offspring was Tan'gun. A recent interpretation of the bear woman is that she came from a bear totem tribe.

The Old Choson period is divided into the Tan'gun, Kija, and Wiman periods. Shortly after the fall of Wiman Choson in 108 BC. and the establishment of Chinese military control in the North, the Three Kingdoms (Silla, Koguryo, and Paekche) period began. In 668, Silla unified the three kingdoms. Silla's decline in the late 9th century brought about the rise of Later Paekche and Later Koguryo. Wang Kon, who established the Koryo Dynasty, eventually re-unified the nation. A series of Mongol invasions that began in 1231 devastated the country in the 13th and 14th centuries. General Yi Song-gye overthrew

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Koryo and established the Choson Dynasty in 1392.

Despite invasions by Japan and Manchu (Qing) in the 16th and 17th centuries, respectively, Choson continued for more than five centuries until 1910, when Japan colonised the nation for three and a half decades. The Korean independence movement was a military and diplomatic campaign to achieve the independence of Korea from the Empire of Japan. After the Japanese annexation of Korea in 1910, local resistance in Korea culminated in the March 1st Movement in 1919. Although Korean independence in the Cairo Declaration of 1943 was achieved, continued disagreement and ambiguity about the post-war Korean government lasted until Soviet-Japanese War created a de-facto division of Korea into Soviet and American zones, prompting the Korean War.

The official Independence Day of South Korea is celebrated on 15th August, though the actual day of independence was on August 13th 1948. The official date which is 15th August, 1945, was not the day the South Koreans attained final autonomy from Japan. It was only on 13th August, 1948, that South Korea was fully liberated from any sort of outside administration. For political reasons, the first President of the country Yi Seungman, chose 15th August, instead of 13th as the official Independence Day of South Korea.¹⁴

National identity: Before the 1945 national division of the peninsula and the subsequent establishment of the two political regimes of North and South Korea in 1948, Koreans identified themselves as the people of Choson. Tan'gun, as the founding ancestor, has had a symbolic meaning for Koreans throughout the nation's history. A temple erected in Tan'gun's honour in 1429 stood in P'yongyang until its destruction during the Korean War. In 1993, North Korea announced the discovery of Tan'gun's tomb and a few remains of his skeleton at a site close to P'yongyang. Some Korean calendars still print the Year of Tan'gun (Tan'gi) along with the Gregorian calendar year, which the South Korean government officially adopted in 1962.

Ethnic relations: Korea is one of the few countries in which ethnicity and nationality coincide. The only immigrant ethnic minority group is a Chinese community of about 20,000 that is concentrated mainly in Seoul and has existed since the late 19th century. Since the Korean War, the continued presence of the United States Forces Korea (USFK), has resulted in the immigration of over one hundred thousand Korean women to the United States.

Basic economy: South Korea transformed its traditional agrarian subsistence economy to a primarily industrialised one in a little more than a generation. In 1962, when the First

14 <http://www.123independenceday.com/south-korea/>

Five-Year Economic Development Plan was launched, per capita Gross National Product (GNP) was \$87 (U.S.), in contrast with \$10,543 (U.S.) in 1996. However, rapid increases in short-term debt precipitated by over-investments by chaebols (family-owned and -managed conglomerates) and insufficient foreign exchange reserves caused the financial crisis of 1997, which necessitated emergency financial aid from the International Monetary Fund (IMF) in December 1997. After a year of rising unemployment, negative economic growth, and reforms of the financial sector in 1998, the economy began to recover. For a total Gross Domestic Product (GDP) of \$406.7 billion (U.S.), the country ranked thirteenth and for per capita GDP it ranked thirtieth among the world's nations in 1999.

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The working-age population (15 years or above) numbered 34.7 million, and 62.2% (21.6 million) of those people who were in the labour force in 1997. More than two-thirds of them were employed in the service sector in 1997. South Korea still produces most of its domestically consumed rice. Traditional cash crops such as ginseng, tobacco, tea, and silkworms remain important. The livestock industry raises beef and dairy cattle, hogs, and chickens. Meat production has increased, largely in response to increased consumption and government support. South Korea imports beef and milk, exports pork to Japan, and maintains self-sufficiency in chickens and most vegetable products.

Major industries: The share of primary industry in the economic structure decreased steadily from 26.6% in 1970 to 5.7% in 1997. Farm work increasingly is done by women and old men as young people leave for urban jobs. As a result of structural reforms in the economy, Korea has built a strong industrial foundation, especially in the areas of electronics, automobiles, shipbuilding, and petrochemicals. The shipbuilding industry is second only to Japan's and has a 32% share of the world market. In the semi-conductor industry, Korea ranks third in the world market. Three Korean companies supply more than 40% of the global demand for computer memory chips. The Korean automobile and petrochemical industries rank fifth in the world in terms of production. The economy is export-oriented and at the same time heavily dependent on overseas raw materials. In 1999, exports were \$143.7 billion (U.S.) and imports were \$119.8 billion (U.S.). Korea ranked 12th for exports and 14th for imports among the countries in the world. The major trading partners are the United States and Japan.

Since the 1980s, main export items have included computers, semi-conductors, automobiles, steel, shipbuilding, electronic goods, machinery, textiles, and fishery products. Overseas construction is a critical source of foreign currency and invisible export earnings. Major import items are steel, chemicals, timber and pulp, cereals, petroleum and

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petroleum products, electronics and electrical equipment. The current account balance for the first half of 2000 marked a surplus of \$4.4 billion (U.S.).

The industrialist class as a new power elite has grown. Family background, education, occupation, and the general acceptance of a meritocracy are major social factors that contribute to the unequal distribution of wealth by class

Social problems and control: Although life expectancy has increased significantly since 1950, South Korea faces a number of important health-care issues. Foremost is the impact of environmental pollution on an increasingly urbanised population. According to the Ministry of Health and Welfare, chronic diseases account for the majority of diseases in South Korea, a condition exacerbated by the health care system's focus on treatment rather than prevention. The incidence of chronic disease in South Korea hovers around 24%. Approximately 33% of all adults smoke. The human immunodeficiency virus (HIV) rate of prevalence at the end of 2003 was less than 0.1%. In 2001 central government expenditures on health care accounted for about 6% of Gross Domestic Product (GDP). The suicide rate in the nation was 26 per 100,000 in 2008, the highest in the industrialised world.¹⁵

Government: Koreans lived under a dynastic system until 1910. After liberation from Japanese colonisation in 1945, the southern half of the peninsula was occupied by the United States and the northern half by the Soviet military until 1948, when two Koreas emerged. Since then, South Korea has traveled a rocky road in its political development from autocratic governments to a more democratic state, amending its constitution nine times in the wake of tumultuous political events such as the Korean War, the April Revolution of 1960, the 1961 and 1979 military coups, the 1980 Kwangju uprising, and the 1987 democracy movement. The government has maintained a presidential system except in 1960–1961, when a parliamentary system was in place. Government power is shared by three branches: the executive, legislature, and judiciary. The Constitutional Court and the National Election Commission also perform governing functions. The executive branch under the president as the head of state consists of the prime minister, the State Council, 17 executive ministries, 17 independent agencies, the Board of Inspection and Audit, and the National Intelligence Service. The president is elected by popular vote for a single five-year term. The prime minister is appointed by the president with the approval of the National Assembly. The legislature consists of a single-house National Assembly whose 273 members serve four-year term. Some degree of local autonomy was restored for the first time since 1961 by the implementation of local assembly elections in 1991

15 Suicide rate 2009, OECD; Harden, Blaine (April 18, 2010). "A troubling trend in a prosperous society." *The Washington Post*.

and popular elections of the heads of provincial and municipal governments in 1995. The judiciary has three tiers of courts: the Supreme Court, the high courts or appellate courts, and the district courts.

Table 1.1 - Social, Religious and Political Similarities

COUNTRY	POPULATION (2012) MILLION	COLONIAL IDENTITY	DATE OF INDEPENDENCE	ETHNICITY	GEOGRAPHY	RELIGION	SYSTEM OF GOVERNMENT
Botswana	2.098	British	30 th Sept 1966	Multi-ethnic	Desert/ Delta Basin	Majorly Christians	Parliamentary Republic
Brazil	205.716	Portuguese	7 th Sept 1822	Multi-ethnic	Equatorial	Majorly Christians	Presidential
Ghana	25.241	British	6 th March 1957	Tswana (Majority)	Equatorial	Muslim/ Christian/ traditional	Parliamentary Republic
India	1,209.073	British	15 th Aug 1947	Multi-ethnic	Sub-continent	Muslim/ Hindu	Parliamentary Republic
Indonesia	248.216	Dutch/ British	27 th Dec 1949	Multi-ethnic	Equatorial	Majorly Muslims	Presidential (unitary)
Nigeria	170	British	1 st Oct 1960	Multi-ethnic	Equatorial	Multi-religious	Presidential
Malaysia	26.160	British	16 th Sept 1965	Multi-ethnic	Equatorial	Multi-religious	Parliamentary Republic
Singapore	5.353	British	9 th Aug 1965	Multi-ethnic	Equatorial	Multi-religious	Parliamentary Republic
South Africa	48.810	British	N/A	Multi-ethnic	Southern tip of Africa	Multi-religious	Presidential
South Korea	48.860	N/A	15 th Aug 1948	Homogenous	Mountainous Peninsula	Christianity /Buddhism	Presidential

Compiled by Project Hope Team

Religious beliefs: As a result of constitutional guarantees of freedom of religion, there is a wide range of religious beliefs, from Shamanism, Confucianism, and Buddhism to Christianity, Islam, and other religions. Indigenous folk beliefs and shamanism have co-evolved, sharing a fundamental belief in the existence of a myriad of gods (such as the mountain gods, the house gods, and the fire god) and spirits of the dead, all of which may influence people's fortunes. Korean Buddhism has both doctrinal and meditative traditions.

Should birds of the same feather not flock together?

The above review shows that the selected countries that Nigeria is being benchmarked with share very clear similarities. At independence in 1960, Nigeria compared reasonably well with these comparators as set out in Table 1.1 above. The fairness of using these comparators is borne out of the fact that most of the countries were British colonies like Nigeria amongst other similarities. These countries all gained independence around the same time. Also, apart from South Korea, the countries are multi-ethnic and multi-religious like Nigeria. They all almost dot the equator, giving them similar vegetation for sustainable agriculture.

Nigeria has certain advantages that the other countries do not have. It is not only large and populous, but truly diverse in peoples, seasons, weather, cultures, religions and vegetation. The beautiful country is not land-locked. It is bounded on the South and profusely soaked by the vast rolling waters of the Atlantic Ocean with all the riches of sea life. In the North where Chad and Niger Republic border it, the undeterred, influence of the Sahara desert tries to counter that of the Atlantic down South. The two conflicting influences give rise to various kinds of weather and also condition the soil in different parts of the country. As if to cushion the extreme effects of the ocean and desert, the two main rivers – Niger and Benue – have their numerous tributaries and rivulets, individually watering large parts of the semi-arid North, at Lokoja, coursing downhill into the Atlantic, and pouring back all unused waters into the ocean. This cyclic phenomenon provides a delicate balance on which the country's peculiar flora and fauna rest.

Beneath the land surface is found an assortment of mineral resources distributed throughout the length and breadth of the country. Within the Niger Delta region is the black gold oil. Nigeria also has 5.153 billion sum of proven natural gas reserves as at 1st January, 2013, making Nigeria the 9th richest gas country in the world¹⁶. These make up the mainstay of the Nigerian economy today. Northwards from the East are large deposits of coal, lignite, iron, ore, lead, zinc, tin, columbite and uranium. There are also deposits of gold and marble in the West and Central areas of the country and large quantities of limestone, gypsum, granites, salt, to mention just a few scattered all over the country. Within this territorial space also, a wide range of crops and economic trees including cocoa, rubber, palm, groundnut, cotton, cashew, tobacco, coffee, ginger, soya beans, kolanut and chili pepper grow. Others include yam, rice, cassava, maize, millet, sorghum, wheat, beans potato, cocoyam, plantain melon, coconut, sheanut, and sugar cane. Also available in this country are large quantities of timber, fishery and livestock products. The story goes around that Malaysia came to source oil palm fruit from Nigeria to start what is today a thriving industry for the country. With all of these blessings, it is very clear that Nigeria has no business with poverty.

16 <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>

The World Economic Data summarises the bleakness of Nigeria's socio-economic status and provides a clue to the present state of the nation in its entirety – a nation at war with itself on almost all fronts. When its rich natural endowments, diversified resource base made up of gas, oil, large expanse of land, water and an entrepreneurial populace is put into consideration, it can easily be seen why people say that Nigeria's wealth is a mere potential yet to be actualised. Nigeria is among the world's poorest nations. As shown in Table 1.2, Nigeria's 2012 Gross National Product (GNP) per capita is lower than that of all its comparators that have been selected for this review with the exception of India.

Table 1.2 – Gross Domestic Product per Capita for 1960 and 2012

S/N	Country Name	1960	2012	Growth %
		GDP Per Capita Current (US\$)	GDP Per Capita Current (US\$)	
1	Brazil	208.40	11,339.50	5,341.22
2	Botswana	58.00	7,191.40	12,298.97
3	Ghana	183.10	1,604.90	776.52
4	Indonesia (1967/2012)	56.6	3,557.40	6,185.16
5	India (1970/2012)	114.40	1,489.20	1,201.75
6	Korea, Rep.	155.20	22,590.20	14,455.54
7	Malaysia	299.10	10,380.50	3,370.58
8	Nigeria	92.8	1,555.40	1,576.08
9	Singapore	394.60	51,709.50	13,004.28
10	South Africa	423.30	7,507.70	1,673.61

Source: World Bank Indicator (WDI) October 2013.

At independence, it was a completely different story. The reality is that in spite of its great potential, Nigeria is poor; she is in the nightmarish flock of the Least Developed Countries (LDC). Just take a look at the strides that its peers have made Malaysia raised its GNP per capita from \$ 299 in 1960 to \$10, 380 in 2012; Botswana raised hers from \$58 in 1960 to \$7,191 while South Korea and Singapore raised theirs from \$155 and \$394 in 1960 to \$22,590 and \$51,709 respectively. An entity that is so bountifully endowed and yet so sadly underperforms over a long period of more than five decades has definitely done a lot of things wrongly. Wrong inputs, wrong processes and systems that have even been poorly applied cumulatively deliver very poor outcomes and that is what has happened to Nigeria. The poor economic profile and low level of development of Nigeria in compar-

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ison to its peers call for a change of both direction and strategy. It is very clear from these numbers that the entire Nigeria system in terms of governance, institutions and policy have not been able to pursue growth and economic development in the right way and manner for its people to enjoy a decent standard of living. The numbers as set out above are a painful indictment of the Nigeria people and successive governments. They are a clarion call to immediate action. Further delay will be absolutely dangerous. The purpose of this review is therefore, to elucidate by benchmarking Nigeria with its peers, why Nigeria is not working despite being blessed with rich minerals, fertile soil, plenty of rainfall, adequate supply of sunlight and many geographic bounties. Nigeria has the ingredients to succeed but need to face the realities of what a peep in the mirror shows. The sleeping giant must be awakened and take its rightful place in the comity of nations. It must learn to once again flock with its peers.

Unhappy New Years

Viewed against its peers that had a very similar economic and social background at independence which occurred all at almost the same period of time, it is amazing that in the post-independence years, Nigeria has retrogressed abysmally. Nigerians are traumatised daily with the news of hundreds of innocent people sent to their early graves, yet life goes on as if human life no longer matters. The army of unemployed and those living

The metrics highlight clearly that a fundamental political and economic makeover is urgently required to begin to transform things, whatever local champions and over recycled politicians think or say. Tinkering at the edges will just not do.

in penury is on the increase thus defeating the very tenets of democracy which is to install a government of the people, by the people and for the people to deliver democratic dividends to the people that elected it. The benchmarking with her peers will show how low Nigeria has fallen such that corrective action cannot and should no longer be put on hold. The metrics highlight clearly that a fundamental political and economic makeover is urgently required to begin to transform things, whatever local champions and over recycled politicians think or say. Tinkering at the edges will just not do.

Every midnight of 31st December in all Nigeria cities, as the old year yields to the new, churches are jam-packed and mosques are crowded with people full of prayers, singing and supplications. This state of jubilation is immediately followed by New Year greetings and well wishes. Mobile phones get congested with short message services (SMS) which are sent out in millions, voice calls last for minutes if not hours Nigerians in great numbers all over the world try to get through to their loved ones wherever they are on the planet. The purpose of all these frenzy is to wish their relatives a happy New Year and also to pray that the New Year will be better than the one that has just been concluded. Bu

alas! To be modest, since 1980 when I returned from the United Kingdom where I went in search of the Golden Fleece like most Nigerian youths who were denied educational opportunities in their home land, I have noticed, with a very heavy heart and severe pain that every successive year is usually worse than the previous. Government after government institute transformational programmes but they all turn out to be vicious, deceitful, damaging, retrogressive and self-serving agendas established to entrench the power and wealth of a small proportion of the elitists to lord it over the rest of the people and pauperise the masses. Over the years, I have watched the middle class completely disappear and the population below the poverty line (those who do not earn up to \$1.25 a day using Purchasing Power Parity, rise to 68% in 2008. It is therefore apt to ask what these governments are transforming; perhaps wealth to poverty and not the other way round.

My many years as a corporate financial consultant have given me a different perspective to why Nigeria has not made progress in many areas and in fact, has retrogressed. We have not mastered the art of solving problems. Most of the problems that have been extensively studied and upon which volumes of reports have been written by different consultants over the years have become chronic as recommendations made in the various reports are never implemented. Apart from not solving problems, we do not learn lessons. We do not regularly measure success and as a consequence, we are continuously rewarding failure and cannot learn from it. In project execution, lessons learned at the close out of a project are meant to be applied on the next project to make the implementation of the new project better than the previous one. But this is not the case with us as each succeeding project invariably has a worse outturn than the one before it. Why do we keep making the same mistakes or doing the same thing over and over and expect a different result? One would not want to imagine that the characters that make these mistakes do so deliberately to fatten their pockets to the detriment of the general goal, which ought to be freedom and prosperity for all.

CHAPTER TWO

We did not bargain for this

*Human Poverty is more than income poverty
– it is the denial of choices and opportunities
for living a tolerable life
– UNDP Human Development Report (1997)*

- We are trapped
- Seeds of inequality
- Multiply and be damned
- Majority should go and die - this is the bush meat mentality – stupid
- Create wealth, not poverty
- A keg of gun powder waiting to explode
- Teach a man to fish and you feed him for life
- Unhealthy bodies, unproductive hands
- Break the cycle, free the people
- To be truly happy
- Mere bragging rights

We are trapped

Two monumental thoughts that shaped and continue to shape the destiny of man and nations were coincidentally published in 1776 on both sides of the Atlantic. Thomas Jefferson, who was the third President of the United States and Governor of Virginia, spear-headed the framing of the Constitution of the United States of America in which the “rights of man” were declared when he wrote: “We hold these truths to be self-evident, that all men are created equal, that they are

They are endowed by their Creator with certain inalienable Rights that among these are Life, Liberty and the pursuit of Happiness.

endowed by their Creator with certain inalienable Rights that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed...”¹ Thomas Jefferson’s theme of the “consent of the governed” also posited that, for a country to achieve its goals, it must separate its ideals from violence. Thomas Jefferson defined a good government as one that cares for human life, happiness and one that effectively

¹ Declaration of Independence, United States of America, 1776

secures the rights of every one and rewards their labour. It is now generally accepted that human development is the central focus of government and any government that fails in this has not fulfilled its pact with the people. Even Aristotle argued that “the difference between a good political arrangement and a bad one” in terms of its successes and failures lays in facilitating people’s ability to lead “flourishing lives”. That human beings are the real end of all activities was a recurring theme in the writings of most of the early philosophers.

About the same time, as Jefferson was crafting the aforesaid words, Adam Smith published in Britain a masterpiece titled, *An Inquiry into the Nature and Causes of the Wealth of Nations*. The *Wealth of Nations* was completed in 1775 and was published on 9th March, 1776². Adam Smith, who is regarded as a foremost classical economist of all times, was in his monumental work, primarily concerned with the problem of economic development. He did not expound any systematic growth theory, but laid the foundation for a coherent theory on which subsequent economists constructed practical theories that are applicable today. The three key areas covered in his thesis were natural labour, division of labour and trade between persons and nations. Adam Smith believed in the doctrine of ‘natural law’ in economic affairs. He regarded every person as the best judge of his self-interest and ought to be left to pursue these interests to his own advantage.

However, in man’s course of furthering his own self-interest, he would also end up furthering the common good. In pursuance of this, each individual is led by an “invisible hand” which guides market mechanism. “It is not to the benevolence of the baker but to his self-interest that we owe our bread,” said Smith. Since every individual, if left free, will seek to maximise his own wealth, therefore all individuals, if left free, will maximise aggregate wealth. Smith was naturally opposed to any government intervention in industry and commerce. He was a staunch free trader and advocated the policy of *laissez-faire* in economic affairs. The “invisible hand” (the automatic equilibrating mechanism of the perfectly competitive market) tended to maximise national wealth. Division of labour is the starting point of Smith’s theory of economic growth. It is division of labour that results in the greatest improvement in the productive powers of labour. He attributed the resultant increase in productivity to: (a) increase in the dexterity of every worker; (b) saving in time to produce goods; and (c) invention of large numbers of labour-saving machines. The last cause of increase in productivity stems not from labour but from capital. It is improved technology that leads to division of labour and the expansion of the market. However, what leads to division of labour is a certain propensity in human nature to trade, barter and exchange one thing for another. Division of labour, however,

2 Adam Smith. (1991). *The Wealth of Nations*. Everyman Library.

depends on the size of the market. One of Smith's famous sayings was that division of labour is limited by the extent of the market, which implies that division of labour increases with the extension of the market. For this purpose, increased purchasing power of the populace, expansion of commerce and international trade are especially beneficial. With the increase in population and transport facilities, there is bound to be greater division of labour and increase in capital.

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Smith's theory of the 'invisible hand' as propelling personal economic interests and consequently national growth, espoused that buyers and sellers in the market are motivated purely by self-interest but they serve the general interest without having intended it. Civilised society depends on a network of co-operation that is neither planned nor directed by political power; it grows spontaneously from tendencies of human nature. The complex operations of market forces, like the division of labour, bring great benefit to society and raise standards of living. Here again, the benefit is not planned. Buyers

and sellers in the market are motivated purely by self-interest but they serve the general interest without having intended it. When Smith said they are led by an invisible hand to confer a public benefit which was not part of their intention, he was not introducing theology into economics, he was using a vivid metaphor to portray the merits of a natural process. Division of labour and the workings of the market constitute the main causes of the wealth of nations. Both are natural, unplanned, and are best left alone to function without political interference. He knew very well that the real force which operates in the market is the motive of self-interest influenced by supply and demand. As for the causes of economic growth, it is clear from what has just been said that an essential cause in growth is trade, not only between nations but also between individuals and groups within a nation.

Both the Adams Smith treatise and the Thomas Jefferson political framework discussed above collectively imply that people are the real wealth of a nation. People that are economically empowered to freely choose in defence of their self-interest in the quest of the good life and happiness, which is the purpose of government, also serve the general interest and create economic growth for a nation without intending it. This underscores the basic objective of economic development which is enhanced when government creates an enabling environment that makes it possible for people to enjoy long, healthy and creative lives. This may appear to be a simple truth, but it is often forgotten in the immediate concern for the accumulation of commodities and financial wealth for personal gain.

A government is any organisation that holds the highest power in a region or a country and is the ultimate arbitrator in matters of public policy, law, and order. A nation state is defined by the existence of a government which has control over its dominion and resources. The three branches of government, which are the executive, legislature and judiciary, are the three pillars on which the edifice of a democratic government rests. In a nutshell, the purpose of government is to pursue peace and economic development for general human development. Human development is achieved by growth in national production (Gross Domestic Product) to meet human objectives in a way that translates into enlarging people's choices. The most critical of these wide-ranging choices are to live a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect. Development enables people to have these choices. No one can guarantee human happiness, and the choices people make are their own desire. However, the process of development should at least create a conducive environment for people, individually and collectively, to develop their full potential and to have a reasonable chance of living productive and creative lives in accord with their needs and interests. It follows that a country must not only pursue economic growth but should ensure that such growth translates to improved living standards for the people.

In reviewing how successive governments in Nigeria have pursued economic development, it is necessary to review the GDP per capita over time, particularly since Independence in 1960 against the chosen comparator countries set out in the previous chapter. Given the impact of population on the standard of living of the people in a country, population trend also needs to be reviewed. Economic development is measured through Gross Domestic Product (GDP) which evaluates the increase in the economy's real national income over a long period of time. This is not a satisfactory definition due to two reasons. Firstly, "real national income" refers to the country's total output of final goods and services in real terms rather than in monetary terms. Thus, price changes will have to be ruled out while calculating real national income. But this is unrealistic because variation in price is inevitable. In this measure, the phrase "over a long period of time" implies a sustained increase in real income. A short periodic rise in national income, which occurs during the upswing of the business cycles, does not constitute economic development. Secondly, this measure fails to take into consideration, changes in the growth of the population. If a rise in real national income is accompanied by a faster growth in population, there will be no economic growth but retardation. Gross Domestic Product (GDP) per capita is another measure that relates to an increase in the per capita real income of the economy over a long period. Economists are more

Provision of basic needs leads to a higher level of productivity and income through human development in the moulding of educated and healthy people

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comfortable in defining economic development in terms of an increase in per capita real income or output. Meier defines economic development "as the process whereby the real per capita income of a country increases over a long period of time – subject to the stipulations that the number of people below an 'absolute poverty line' does not increase and that the distribution of income does not become more unequal."³

Dissatisfied with GDP and GNP per capita as the measure of economic development, some economists have tried to measure development in terms of social indicators. Social indicators are often referred to as the basic needs for development. Basic needs focus on alleviation of poverty by providing basic human needs to the poor. The direct provision of such basic needs such as health, education, food, water, sanitation and housing, has a quicker effect on poverty and this process requires fewer monetary resources. Provision of basic needs leads to a higher level of productivity and income through human development in the moulding of educated and healthy people. The merit of social indicators is that they are concerned with ends; the end, being human development particularly as economic development is a means to these ends. Social indicators tell us how different countries prefer to allocate the GNP among alternative uses. Some may prefer to spend more on the military and less on education or healthcare. Moreover, social indicators give an idea about the presence, absence or deficiency of certain basic needs. This in turn reveals the priorities of government as it relates to the welfare of the people and their overall productivity in general.

Hicks and Streeten⁴ consider six social indicators for basic needs:

Basic Need	Indicator
Health	Life expectancy at birth
Education	Literacy signifying primary school enrolment as a percentage of population.
Food	Calorie supply per head
Water supply	Infant mortality and percentage of population with access to potable water
Sanitation	Infant mortality and percentage of population with access to Sanitation
Housing	None

Except for calorie supply per head, all other indicators are output indicators. As shown above, infant mortality is both an indicator of sanitation and clean drinking water facilities because children are prone to water-borne diseases. It is also related to life expectancy at birth and nutritional deficiencies among infants. Thus, the infant mortality rate measures

3 G.M. Meier. *Leading Issues In Economic Development*

4 Norman L. Hicks and Paul P Streeten. (1979). *Indicators Of Development: The Search For A Basic Needs Yardstick World Development*

four of the six basic needs.

With these in mind, Lord Meghoad Desai and Nobel Laureate Amartya Sen invented the Human Development Index (HDI) and United Nations Development Programme (UNDP) incorporated this HDI into its first Human Development Report in 1990. Since then, the UNDP has been presenting the measurement of human development in its annual report. The HDI is a composite index of three social indicators: life expectancy, adult literacy and years of schooling as set out in Figure 2.1 below. It also takes into account real GDP per capita. Thus, the HDI is a composite index of achievements in three fundamental dimensions: living a long and healthy life, being educated and having a decent standard of living.

The UNDP in the Human Development Report explains that while growth in national production (GNP) is absolutely necessary to meet all essential human objectives, what is important is how this growth translates or fails to translate into human development in various societies.

1. The HDI value of a country is calculated by using three indicators:
2. Longevity, as measured by life expectancy at birth.
3. Educational Attainment, as measured by a combination of adult literacy (two-thirds weight) and combined primary, secondary and tertiary enrolment ratio (one-third weight).

Decent Standard of Living, as measured by real GDP per capita based on Purchasing Power Parity in terms of dollar (PPP\$).

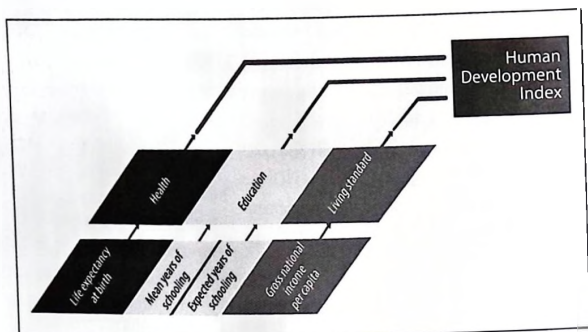
Before the HDI is calculated, an index is created for each of these dimensions: Life Expectancy Index, Education Index and GDP Index. To calculate these indices, minimum and maximum values or goal posts are chosen for each indicator. This composite measure needs to be applied in gauging how successive Nigeria governments have been able to positively impact the well-being of the people in comparison to its peers that were discussed in Chapter One. The Human Development Index compiled by UNDP has been used to carry out this review. The UNDP in the Human Development Report explains that while growth in national production (GNP) is absolutely necessary to meet all essential human objectives, what is important is how this growth translates or fails to translate into human development in various societies. Some societies have achieved high levels of human development at modest levels of per capita income. Other societies have failed to translate their comparatively high income levels and rapid economic growth into commensurate levels of human development. The focus is that human development should be about

The focus is that human development should be about how development enlarges choices available to the people of the country.

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how development enlarges choices available to the people of the country. It is more than GNP growth, more than income and wealth and more than producing commodities and accumulating capital. A person's access to income may be one of the choices, but it is not the sum total of human endeavour.

Figure 2.1 Components of the Human Development Index



Source: Human Development Report 2010

The HDI is not free from limitations. The following have been noted against it:

1. It is a crude index which attempts to capture in one simple number the complex reality about human development and deprivation.
2. The three indicators are not the only indicators of human development. There can be others like infant mortality, nutrition, etc.
3. The HDI measures are relative rather than absolute human development so that if all countries improve their HDI value at the same weighted rate, the low human-developed countries will not get recognition for their improvement.
4. The weighting applied for calculating the four component indicators of HDI seems arbitrary.
5. Giving equal weight to each of the very different three dimensional indices for calculating the HDI is arbitrary. To the extent that one component index has a different variance than another, equal weights seem unsatisfactory and unjustified.

Seeds of Inequality

Despite these weaknesses, by measuring average achievements in health, education and income, the HDI provides a better picture of the state of a country's development than its income alone. This measure has, therefore, been utilized to benchmark the level of Nigeria's Human Development against its peers. This provides the platform for the detailed discussion

of Nigeria's performance in the various elements. It should be noted that the metrics applied were based on the available HDI data which was issued before Nigeria rebased its economy in 2014. The impact of the rebasing is discussed at the end of this chapter.

Table 2.1 shows the trend in human development through a composite index, measuring average achievement in three basic dimensions of human development – life expectancy (a long and healthy life), knowledge (educational attainment) and income (decent standard of living).⁵ As can be seen in the table, Nigeria is the only country amongst the comparators that is ranked in the “Low Human Development” category; a class it occupies at a ranking of 153 out of 186 countries in the world in the year 2013. This is a very deplorable situation given the natural and human resources that abound in the country.

Table 2.1 - Human Development Index Trends, 1980 - 2012

HDI Rank		Human Development Index (HDI) value							Average annual HDI growth (%)				
		1980	1990	2000	2005	2007	2010	2011	2012	1980 - 1990	1990 - 2000	2000 - 2010	2000 - 2012
Very high human development													
12	Korea, Republic	0.64	0.749	0.839	0.875	0.89	0.905	0.907	0.909	1.58	1.14	0.76	0.67
18	Singapore	..	0.756	0.826	0.852	..	0.892	0.894	0.895	..	0.89	0.77	0.67
High human development													
64	Malaysia	0.563	0.635	0.712	0.742	0.753	0.763	0.766	0.769	1.21	1.15	0.69	0.64
85	Brazil	0.522	0.59	0.669	0.669	0.71	0.726	0.728	0.73	1.23	1.26	0.82	0.73
Medium human development													
119	Botswana	0.449	0.586	0.587	0.604	0.619	0.633	0.634	0.634	2.71	0	0.77	0.66
121	Indonesia	0.422	0.479	0.54	0.575	0.595	0.62	0.624	0.629	1.26	1.21	1.39	1.28
121	South Africa	0.57	0.621	0.622	0.604	0.609	0.621	0.625	0.629	0.87	0.01	-0.01	0.11
135	Ghana	0.391	0.41	0.461	0.491	0.506	0.54	0.553	0.558	0.9	0.77	1.58	1.6
136	India	0.345	0.41	0.463	0.507	0.525	0.547	0.551	0.554	1.75	1.23	1.67	1.5
Low human development													
153	Nigeria	..	..	..	0.434	0.448	0.462	0.467	0.471	..	..	..	..
Region													

Human Development Report, UNDESA (2011), Barro and Lee (2011), UNESCO (2012)

There are two things that are noteworthy in the above poor human development index of Nigeria. Firstly, most of the 10 comparators are medium, high and very high human development index countries. Even Nigeria's African peers like Ghana and Botswana are ranked in the 135th and 119th positions respectively under the medium level of human development while Nigeria languished in the Low human development category. Sec-

5 See Technical note 1 at http://hdr.undp.org/en/media/HDR_2013_EN_TechNotes.pdf for details on how the HDI is calculated

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ndly, Nigeria's HDI has hardly moved since 2005 which was when Nigeria's measurement for this category began. It recorded 0.434 in 2005 and 0.471 in 2012 - an average annual HDI growth rate considered statistically insignificant when smoothed as an annualised growth of the HDI in the seven years calculated as the annual compound growth rate, given that a growth rate was not recorded for Nigeria in that period. In the same period, Ghana moved from 0.491 to 0.558, well above the Sub-Saharan African average of 0.475. Similarly, Indonesia's HDI value moved from 0.595 to 0.629, inching towards the world average of 0.694.

What this means in real terms is that six years into the present democratic dispensation and seven years since 2005, the government of Nigeria has not recorded any appreciable improvement in the human development empowerment of its citizens thereby failing in the responsibility of government which Thomas Jefferson espoused eloquently as the ability to secure man's "inalienable Rights, among which are Life, Liberty and the pursuit of Happiness". That the government has not been able to raise the standard of living of the average Nigerian over the years, is more clearly evident in the analysis of the HDI component parts reviewed in Table 2.2 below.

Table 2.2 - Human Development Index and its components

		Human Development Index (HDI) value	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	GNI per capita rank minus HDI rank
HDI Rank		2012	2012	2010	2011	2012	2012
Very high human development							
12	Korea, Republic of	0.909	80.7	11.6	17.2	28.231	15
18	Singapore	0.895	81.2	10.1	14.4	52 613	-15
High human development							
64	Malaysia	0.769	74.5	9.5	12.6	13 676	-7
85	Brazil	0.730	73.8	7.2	14.2	10 152	-8
Medium human development							
119	Botswana	0.634	53.0	8.9	11.8	13 102	-55
121	Indonesia	0.629	69.8	5.8	12.9	4 154	-3
121	South Africa	0.629	53.4	8.5	13.1	9 594	-42
135	Ghana	0.558	64.6	7.0	11.4	1 684	22
136	India	0.554	65.8	4.4	10.7	3 285	-3
Low human development							
153	Nigeria	0.471	52.3	5.2	9.0	2 102	-6
Region	Sub-saharan Africa	0.475	54.9	4.7	9.3	2 010	-

Source: Human Development Report (2011), Barro and Lee (2011), UNESCO (2012), World Bank (2012), and IMF (2012)

The HDI components of interest are (a) Life expectancy at birth: Number of years a newborn infant could expect to live if prevailing patterns of age-specific mortality rates at the time of birth, stay the same throughout the infant's life. (b) Mean years of schooling: Average number of years of education received by people of ages 25 and above, converted from educational attainment levels, using official durations of each level. (c) Expected years of schooling: Number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child's life (d) Gross National Income (GNI) per capita: Aggregate income of an economy generated by its production and its ownership of factors of production, less the incomes paid for the use of factors of production owned by the rest of the world, converted to international dollars, using PPP rates, divided by mid-year population. The HDI metrics of Nigeria in the above elements are also very unnerving. A child born in Nigeria today will expect to live for 52.3 years on the average. This is only close to Botswana with 53 years as the projected life expectancy duration and South Africa at 53.4 years. A Ghanaian born today will expect to live for 64.6 years while a Singaporean newly born has bountiful 81.2 years ahead of him or her. One is tempted to ask why on

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earth a Ghanaian born today would expect to outlive a Nigerian toddler. I think most Nigerians agree that our society has so many ills that challenge enhanced life expectancy ranging from a broken and disorganised society in and of itself, insecurity, violence, poor medical services, bad roads (that are now more or less death traps), unabated poverty and illiteracy that in itself fuels violence among others.

Life in Nigeria is short and brutish. Mass killings are reported on a daily basis such that it is now estimated that many people are killed daily in Nigeria. If it is not Boko Haram in the northwest, it is ritual killings in Soka, Ibadan or somewhere else. If it is not inter-ethnic clashes and killings in the middle belt, it is Fulani herdsmen on the rampage, killing people indiscriminately, stealing cattle from farms and abducting young women who are raped and taken away never to be returned. Governor Gabriel Suswan of Benue State, who raised the alarm over the activities of cattle rearers and insurgents, said that these insurgents are “camouflaging as Fulani men. What has been witnessed lately are well-trained people trained to kill and destroy”, describing the manner of destruction as massive and unimaginable.⁶ Kidnappers ravage the South, taking people at will and demanding millions in ransom. People pay to be released but shamefully nobody admits to any ransom payment for fear of reprisals. Some kidnappers take money and still callously kill their victims. How can longevity be ensured with all these? Given all that

the Nigerian goes through, it is a miracle that the life expectancy is not shorter than it presently is. When the longevity rating is combined with the low mean years of schooling, violence and killings and the low standard of living that lead to the destructive tendency amongst the people, it becomes easy to understand. It shows that there is a diminished knowledge for the Nigerian to even appreciate the challenges that he faces not to talk of combating them.

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That things are really bad in Nigeria is depicted by the HDI value adjusted for the inequalities in the three basic dimensions of human development⁷ as set out in Table 2.3. These are – Inequality-adjusted life expectancy index which has been adjusted for inequality in distribution of expected length of life and Inequality-adjusted education index which was adjusted for inequality in distribution of years of schooling based on data from household

6 <http://www.punchng.com/news/govs-comments-would-have-forced-me-to-resign-jonathan/>

7 See Technical note 2 at http://hdr.undp.org/en/media/HDR_2013_EN_TechNotes.pdf

surveys. The HDI adjusted for inequality falls to 0.276 for Nigeria in 2012. When adjusted for life expectancy and education, it falls to 0.286 and 0.25 respectively pointing to the fact that the majority suffer more deprivation; a point that requires further discussion given its negative potency.

Table 2.3 – Inequality –adjusted Human Development Index

	Human Develop	Inequality-adjusted HDI			Inequality-adjusted expectancy index		Inequality-adjusted education index				Quintile income	
		Value	Value	Overall loss (%)	Difference from HDI rank	Value	Loss (%)	Value	Loss (%)	Value		Loss (%)
HDI Rank	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2000 - 10	
Very high human development												
12	Korea, Republic of	0.909	0.758	16.5	-18	0.915	4.3	0.702	25.5	0.679	18.4	..
18	Singapore	0.895	..	..	..	0.935	2.9	..	..	..	..	..
High human development												
64	Malaysia	0.769	..	..	..	0.799	6.7	..	..	..	..	11.3
85	Brazil	0.73	0.531	27.2	-12	0.725	14.4	0.503	25.3	0.411	39.7	20.6
Medium human development												
119	Botswana	0.634	..	..	..	0.394	24.3	..	..	..	..	..
121	Indonesia	0.629	..	18.3	3	0.652	16.8	0.459	20.4	0.453	17.7	5.1
121	South Africa	0.629	..	..	..	0.376	28.4	0.558	20.8	..	..	25.3
135	Ghana	0.558	..	32.2	-3	0.508	27.5	0.352	40.9	0.303	27.2	9.3
136	India	0.554	..	29.3	1	0.525	27.1	0.264	42.4	0.434	15.8	4.9
Low human development												
153	Nigeria	0.471	0.276	41.1	-13	0.286	43.8	0.25	45.2	0.295	34.5	12.2
Region		0.475	..	35	-	0.335	39	0.285	..	..	..	-

Source: Human Development Report World Bank and IMF

As has been explained, GDP is usually regarded as a measure of economic development while GDP per capita relates to an increase in the per capita real income of the economy over a long period. Economists unanimously define economic development in terms of an increase in per capita real income or output. This indicator of economic growth emphasizes that for it to be said that there is economic development; the rate of increase in real per capita income should be higher than the growth rate of population. And here lies the predicament that the managers of the Nigerian economy have not been able to resolve. For many years, the economy of the country barely grew above 2% but the growth rate of the population exceeded 2% per annum meaning that the per capital income declined or remained stagnant.

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Table 2.4 – GDP Per Capita (Current US \$)

Economy	1960	1970	1980	1990	2000	2009	2010	2011	2012
Botswana	58.0	138.8	1 063.50	2 739.10	3 208.80	5 178	6 980	9 697	7 238
Brazil	208.4	440.6	1 930.50	3086.90	3694.50	8 373	10 978	12 576	11 340
Ghana	183.1	257.7	411.5	402.6	264.7	1 097	1 326	1 594	1 605
India	-	11.4	271.2	375.9	455.4	1 147	1 419	1 534	1 489
Indonesia	-	84.7	536.2	640.6	789.8	2 272	2 947	3 471	3 557
Malaysia	299.1	392.0	1 802.60	2 417.40	4 004.60	7 278	8 754	10 058	10 432
Nigeria	92.8	223.5	871.1	297.8	374.2	1 091	1 437	1 496	1 555
Singapore	394.6	925.1	4913.40	11 845.40	23 814.60	38 293	42 784	47 268	51 709
South Africa	423.3	810.8	2 920.80	3 182.20	3 019.90	5 758	7 266	7 943	7 508
South Korea	155.2	278.8	1 674.40	6 153.10	11 346.70	16 959	20 540	22 388	22 590

Source: World Development Indicators (WDI), October 2013

As Table 2.4 shows, the country has fared abysmally in terms of economic growth particularly when the population trend is factored into the equation. Table 2.5 shows the annual population growth rate in the comparator countries on 1st July, 2000 and 2010. This is the average annual exponential growth rate for the period specified, the composition of the population, the total dependency ratio (the ratio of the sum of the population of ages 0–14 and ages 65 and above to the population of ages 15–64), the crude death rate and the birth rate. What the Nigeria population estimate reveals is that at a consistent growth rate of 2.5% in the entire period, Nigeria population is growing fastest than any of its comparators. All the other countries apart from Ghana and Singapore have a population growth rate of less than 1.5%.

A Briton who visited Nigeria in 2001 joked that almost every person in Nigeria was looking pregnant. Discounting the “potbellied” men and the “figure 8” ladies, what he meant was that Nigerians have not been able to socially discipline themselves to control the population growth. And the government has either refused or been unable to do anything about it. This has translated into one of the reasons that have made Nigeria not only a country of stunted economic growth but one riddled with abject poverty. A look at the GDP per capita of the comparator countries in Table 2.4 blights the heart of any patriot. In 1960, Nigeria was in a good crowd as all its peers had a GDP per capita below \$500. Most of these countries, like Nigeria, had GDP per capita of less than \$300 in 1960. Today, the story is pitifully different. Most of the countries have surged ahead to well over \$7,000 and above, with some like South Korea and Singapore recording

What the Nigeria population estimate reveals is that at a consistent growth rate of 2.5% in the entire period, Nigeria population is growing fastest than any of its comparators. All the other countries apart from Ghana and Singapore have a population growth rate of less than 1.5%.

\$22,590 and \$51,709 respectively while a few laggard away at below \$2,000. Lastly, India and Nigeria languish at \$1,489 and \$1,555 respectively. How did Nigeria, the successive governments and the Nigerian people get it so wrong? What went so radically wrong? And why have the Nigerian people not seen clearly that Nigeria is not working and requires to be urgently fixed?

Multiply and be damned

It is worth noting that Gross Domestic Product (GDP) per capita (ratio of GDP: Total Population) tracks increases in the per capita real income of the economy over a long period. A rise in real national income accompanied by a faster growth in population will lead to a decline in the metric which will mean economic retardation. And here lies the trap that has engulfed Nigeria with the population, for many years till very recently, increasing at a faster rate than the rate of economic growth.

Table 2.5 – Population Dynamics

	Population			Average annual population growth		Population age composition %			Dependence ratio % of working age population		Crude death rate	Crude birth rate
	Million			%		age 0-14	age 15-64	age 65+	Young	Old	Per 1000 people	Per 1000 people
	2000	2010	2020	2000-2010	2010-2020	2010	2010	2010	2010	2010	2010	2010
Botswana	1.8	2.0	2.0	1.3	0.9	33	63	4	51	6	13	24
Brazil	174.4	194.9	194.9	1.1	0.7	25	68	7	38	10	6	15
Ghana	19.2	24.4	24.4	2.4	2.2	39	58	4	67	7	8	32
India	1053.9	1224.6	1224.6	1.5	1.2	31	64	5	47	8	8	22
Indonesia	213.4	239.9	239.9	1.2	0.9	27	67	6	40	8	7	18
Nigeria	123.7	158.4	158.4	2.5	2.5	43	54	3	80	6	14	40
Malaysia	23.4	28.4	28.4	1.9	1.5	30	65	5	47	7	5	20
Singapore	4.0	5.1	5.1	2.3	0.9	17	74	9	24	12	4	9
South Africa	44.0	50.0	50.0	1.3	0.5	30	65	5	46	7	15	21
South Korea	47.0	48.9	48.9	0.4	0.3	16	72	11	23	15	5	9
Sub-Saharan Africa	666.3	853.4	853.4	2.5	2.4	42	54	3	78	6	13	37

Source: World Development Indicators (WDI), October 2013

According to the 1992 Human Development Index Report, the world population growth rate declined from 2.3% a year during the period 1960-88, to an estimated 2.0% in 1988-2000. According to the report, this global decline in population growth rate was not sufficient to make a dent in the overall demographic picture and demanded vigorous efforts to reduce

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population growth in the developing world. Viewed from this world angle, it is bad news that the Nigerian population growth rate since 1960 has remained at 2.5% and is projected to remain so by 2020. This calls for an urgent action that does not feature at all even on the agenda of government. A high rate of population has development implications. To begin with, it does not augur well for planning purposes. Plans only succeed when the implementation is pursued with reliable data. But in the Nigerian experience, the unreliability of demographic data makes plan implementation a futile exercise in the country. There are negative consequences associated with demographic change in Nigeria such as health complications, arising from pregnancies that occur too early or too frequently during the reproductive life cycle. Population and health are thus closely related when considering high-risk pregnancies. By preventing such pregnancies, a significant impact can be made in enhancing the quality of life of the mother and child and by extension that of the entire population. Population growth that is higher than GDP growth rate is equally associated with unemployment. When population growth is constantly on the increase, job opportunities become fewer than the numbers seeking for them. This stagnates economic performance because a larger proportion of available resources is consumed instead of invested to generate growth. There is an urgent need to strengthen programmes of family planning, fertility reduction, female literacy, maternal and child health care. The world's demographic balance is shifting rapidly. The share of the developing countries in world population is expected to grow from 69% in 1960 to 84% by 2025, and that of the industrial nations to shrink from 31% to 16%. Even more telling, 87% of all new births are in the Third World and only 13% in the industrial nations⁸. Even with this clear note signposting a definite warning, action in this area has not been taken by the government nor has the culture of the people permitted a positive shift in this regard.

In classifying Nigeria amongst the next wave of emerging economies - Mexico, Indonesia, Nigeria and Turkey (MINT), economist Jim O'Neal and his fellow travellers emphasised the demographic dividends inherent in the Nigeria population with the vibrancy of the youth population (who fall below the age of 35) now accounting for well over 75% of the population. There is no doubt that a nation's development prospects are influenced not just by the total number of people but also by the population's age structure. An increasingly critical concern is a country's dependency ratio which is the number of younger and older people divided by the working-age population ages 15-64. Nigeria with a dependency rate at well over 86% could benefit from a "demographic dividend" as the share of the working-age population rises, but only if there is strong policy. The youth population requires to be developed and empowered with enhanced purchasing power. This means amongst others that youth education must increase. In particular, the education of the girl child is a critical vehicle of a possible demographic dividend. Educated women tend to have fewer, healthier and better educated children.

Table 2.6 – Population Trends

	Population																
	Total		Annual growth		Urban		Median age		Total dependency ratio		Total fertility rate		Sex ratio at birth				
	(Millions)	2012	2030	(%)	2010-15	(% of total)	2000	2012	(Years)	2000	2010	(births per woman)	2000	2012	(male to female birth)	2000	2012
HDI rank																	
Very high human development																	
12	Korea, Republic	48.6	50.3	0.5	0.4	79.5	83.5	32.1	37.9	39.5	38	1.3	1.4	1.1	1.1		
18	Singapore	5.3	6.0	1.7	1.1	100.0	100.0	34.1	37.6	40.5	35.4	1.4	1.3	1.07	1.07		
High human development																	
64	Malaysia	29.3	37.3	2.2	1.6	62.0	73.5	23.8	25.0	59.1	52.8	3.1	2.6	1.06	1.06		
85	Brazil	158.4	220.5	1.3	0.8	81.2	84.9	25.4	29.1	54.0	46.8	2.4	1.8	1.05	1.05		
Medium human development																	
119	Botswana	2.1	2.3	1.3	1.1	53.2	62.3	20.0	22.9	69.5	56.7	3.4	2.6	1.03	1.03		
121	Indonesia	244.8	279.7	1.3	1.0	42.0	51.5	24.4	27.8	54.7	47.3	2.5	2.1	1.05	1.05		
121	South Africa	50.7	54.7	1.3	0.5	56.9	62.4	22.9	24.9	59.6	52.9	2.9	2.4	1.03	1.03		
135	Ghana	25.5	36.5	2.4	2.3	44.0	52.6	19.1	20.5	79.9	73.0	4.7	4.0	1.06	1.06		
136	India	1258.40	1523.50	1.6	1.3	27.7	31.6	22.7	25.1	63.8	53.8	3.1	2.6	1.08	1.08		
Low human development																	
153	Nigeria	166.6	257.8	2.5	2.5	42.4	50.3	18.1	18.5	86.4	86.1	5.9	5.5	1.06	1.06		
Region																	
	Sub-Saharan Africa	852.2	1284	2.5	2.5	32	37	17.8	18.5	88.6	83.4	5.6	4.8	1.04	1.04		

Source: Human Development Report

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In many countries, educated women also enjoy higher salaries than uneducated women. At the other spectrum however, the developed countries confront a very different problem as their population ages, and the share of the working-age population falls. The rate of population aging matters particularly for poor developing countries who will have to struggle to meet the needs of an older population at the current poverty levels in those countries.

Economic growth is one thing, how this economic growth is managed in the interest of the people is another thing entirely. The 1990 Human Development Report defined human development as the process of empowering people to have wider choices. Income is one of those choices, but it is not the sum total of human life. Health, education, a good physical environment and freedom of action and expression are just as important. Human development cannot be promoted, by a single-minded pursuit of economic growth. The quantity of growth is important because without sufficient resources, little can be achieved. But the quantity of growth is only one contribution to human development. The distribution of growth to the citizens of a nation is also important to ensure that the growth benefits the generality of the people. GDP growth as an index of economic development has not been successful in reducing poverty, unemployment and inequalities, and raising living standards in developing countries. Robert McNamara, a former Governor of the World Bank, admitted in February, 1970 to the failure of the GNP growth rate as an index of economic development in these words: "In the developing world, at the end of the decade: malnutrition is common, infant mortality is high, life expectancy is low, illiteracy is widespread, unemployment is endemic and growing, the redistribution of income and wealth is severally skewed".⁹

The population predicament that Nigeria finds itself, was explained by some elements of the Malthusian theory which were espoused by Thomas Robert Malthus in a book titled "The Progress of Wealth and Principles of Political Economy" published in 1820¹⁰. Malthus did not regard the process of economic development as automatic. Rather, he explained that it required consistent efforts on the part of the people. Malthus was concerned with the "progress of wealth" of a country. By progress of wealth, he meant economic development which could be achieved by increasing the wealth of a country. The wealth of a country depended partly upon the quantity of produce obtained by its labour, and partly upon the valuation of this produce, meaning the productivity of the people and the value of their output. From the analysis, Malthus believed that the rate of growth and quantum of the population and its productivity played a key role in the country's economic development. Malthus was extensively realistic in his analysis of population growth in the context of economic development. According to him, population growth

Macnamara Economic Development and Planning

□ Malthus, T.R. (1838). *Principles of Political Economy*. 2nd edition 1951. London: Pickering

by itself is not sufficient to bring about economic development. Rather, it is the result of the development process. As Malthus wrote, "An increase of population cannot take place without proportionate increase of wealth." As the rate of capital accumulation increases, the demand for labour will also increase. This encourages population growth, but mere population growth does not increase wealth. Population growth increases wealth only if it increases effective demand and it is the increase in effective demand which leads to increase in wealth. This explains three very important points with regards to Nigeria. Firstly, economic development demands a consistent effort from the government and the people. This is hardly the case in Nigeria where self-interest overrides the common good. Secondly, Malthus made it clear - and we are talking of a book written in 1820 - that the wealth of a country depended partly upon the quantity of produce obtained by its labour, and partly upon the valuation of this produce. Yet Nigeria produces very little as everyone waits for a share of the national cake but refuse to participate in the baking of the cake. Besides, the productivity of the average Nigerian worker is also very low. Thirdly, Malthus avers that population growth by itself is not sufficient to bring about economic development. It should therefore be crystal clear that a population of 170 million with a high number of non-literates, in poor health, with low life expectancy, low productivity and with more than 60% of the people living on less than \$1.25 (less than ₦210 at current exchange rates) a day will not create wealth but increase poverty.

Most potent for Nigeria is how Malthus defined the problem of economic development as one of explaining the difference between potential Gross National Product ("power of producing riches") and actual Gross National Product ("actual riches"). Although the economic thinking is much clearer now, the point that Malthus made was that the principal challenge that a nation faces is to exploit its productive potential to the fullest so as to achieve a high level of Gross National Product. According to Malthus, the size of potential Gross National Product depends upon land, labour, capital and organisation. When these four factors are employed in the right proportion, they maximise production in the two major sectors of the economy viz, the agricultural and the industrial sectors. It is the accumulation of capital, the fertility of the soil and technological progress that lead to increase in both agricultural and industrial production. Besides these, Malthus also emphasised the importance of non-economic factors in economic development "which come under politics and morals". They are the security of property, good constitution, excellent laws properly administered, hardworking and regular habits, and general rectitude of character. These elements of economic freedom, moral uprightness and hard work are the cornerstone of what drives economic development of a nation. Malthus creed of non-economic factors in economic development could well have been addressed to the Nigerian leadership and elites. Time seems to be running out particularly when one considers that Malthus also propagated the theory of population equilibrium which principally stated that population that increases beyond its equilibrium is reduced to

balance by war, famine and pestilence. One shudders to think, even for a moment, that this crude aspect of Malthusian theory has also caught up with Nigeria given the killings that are witnessed daily across the country.

Majority should go and die - This is the bush meat mentality – stupid!

The link between economic growth and human progress is not automatic. If the distribution

The link between economic growth and human progress is not automatic. If the distribution of income is unequal and if social expenditures are low or distributed unevenly, human development may not improve much, despite rapid GNP growth.

of income is unequal and if social expenditures are low or distributed unevenly, human development may not improve much, despite rapid GNP growth. With an even income distribution and well-structured public expenditures, countries can achieve significant improvements in human development even in the absence of satisfactory economic growth. As was set out in the 1992 HDI report, life does not begin at \$11,000 which is the average per capita income in the industrialised world. Sri Lanka managed a life expectancy of 71 years and an adult literacy rate of 87% with a per

capita income of \$400. By contrast, Brazil has a life expectancy of only 65 years, and its adult literacy rate is 78% at a per capita income of \$2,020. In Saudi Arabia, where the per capita income is \$6,200, life expectancy is only 64 years and the adult literacy rate is an estimated 55%. What really matters is how economic growth is managed and distributed for the benefit of the people. The GNP growth accompanied by reasonably equitable distribution of income is generally the most effective path to sustained human development.

Unfortunately this is not the case in Nigeria. Public expenditure is not structured to

Public expenditure is not structured to benefit the poor in Nigeria as it is heavily skewed in favour of civil servants and politicians

benefit the poor in Nigeria as it is heavily skewed in favour of civil servants and politicians. When corruption, which is practised by these favoured few to siphon the common wealth into their private pockets is factored in, little or nothing is left for the improvement of the standard of living of the generality of the

people. Table 2.7 depicts the size of government in comparator countries. The four components of the table indicate the extent to which countries rely on the political process to allocate resources, goods and services. When government spending increases relative to spending by individuals, households, and businesses, government decision-making is substituted for personal choice and economic freedom is reduced. The first two components address this issue. The first component is measured as general government consumption as a percentage of total consumption. Countries with a larger proportion of government expenditures received lower ratings. In contrast, as the ratio approaches the maximum value, the ratio moves toward zero. Nigeria received relative-

ly low ratings in the four classes which is not surprising given the high level of government expenditure and high level of petroleum subsidy which in itself witnessed massive corruption a few years back.

Table 2.7 – Size of Government

SIZE OF GOVERNMENT												
	Government Consumption			Transfer & Subsidy			Govt enterprise & investment			Top marginal tax rate		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating
Botswana	1.27	2.03	2.76	7.16	7.16	7.16	0	2	6	9	9	9
Brazil	4.44	4.15	4.26	7.75	7.86	7.82	8	8	8	6.5	8	8
Ghana	8.5	8.48	8.71	9.34	9.65	9.64	2	4	4	7	7	7
India	6.72	6.82	8.74	8.04	7.68	7.68	4	4	4	8	7	7
Indonesia	7.5	7.72	7.62	9.34	9.36	9.03	7	7	7	6.5	7.5	7.5
South Korea	5.07	5.13	5	8.22	8.28	8.35	8	8	8	6	6	6
Malaysia	5.28	5.6	5.44	8.9	8.91	8.9	0	2	2	8	8	8
Nigeria	9.59	6.01	6.74	9.62	9.62	9.62	2	2	2	7	7	7
Singapore	5.42	5.24	5.65	10	10	10	7	7	7	10	10	10
South Africa	4.26	3.96	3.88	8.34	8.62	8.43	2	4	4	5.5	5.5	5.5

Source: www.freetheworld.com (Fraser Institute)

Only four examples will suffice to underscore how the dice of public expenditure is loaded against the people in Nigeria. Firstly, the 2014 National budget. On 19th December, 2013, Dr Ngozi Okonjo Iweala, the Coordinating Minister for the Economy and Minister of Finance, laid the budget proposal for 2014 before the National Assembly on the basis of the authority duly delegated to her by President Goodluck Jonathan in pursuant of Section 81 of the Constitution of the Federal Republic of Nigeria 1999. The budget proposal contemplates estimated aggregate expenditure for the fiscal year in the sum of ₦4.6 trillion. This figure comprises various expenditure components, including recurrent (non-debt) expenditure component, summarised as follows:

	N Trillion	%
Recurrent Expenditure	2.4	52.18
Capital Expenditure	1.1	23.91
Debt Servicing	0.7	15.22
Statutory Payments	0.4	8.69
Aggregate Expenditure	4.6	100.00

A public expenditure pattern, which allocates 76.3% for recurrent expenditure (government salaries and overheads etc.), leaving a mere 23.7% aggregate for capital expenditure, cannot be considered a budget that has a focus on social expenditure targeted at human development.

government salaries and overheads etc.), leaving a mere 23.7% aggregate for capital expenditure, cannot be considered a budget that has a focus on social expenditure targeted at human development. There is a lot more that is wrong with this pattern of expenditure. The disparity skews the budget towards consumption at the expense of infrastructural investment, growth and economic development. As a result, less money is available for education, health and creation of a good physical environment. It also underscores the fact that the cost of government is extremely high, indeed too high in Nigeria for good welfare or for any development of any kind to take place.

Regarding this anomaly, Okonjo-Iweala's efforts as explained by her are commendable. She explained that "since 2006, attempts have been made to cut down on recurrent expenditure, which declined from 70.8% in 2006 to 64.8% in 2010. However, recurrent expenditure went up in 2011 to 74.68% due to wage increases granted in 2010, which were introduced in 2011 budget. Ever since then, further attempts have been made to reduce the wage component of the budget. Indeed between 2006 and 2013, personnel expenses nearly tripled from N527.9 billion to N1.718 trillion, and personnel and overhead costs for MDAs constitute the bulk of these expenditures. We have successfully reduced overhead costs by 17% since 2011; and we anticipate that personnel expenditures will be gradually reduced with the introduction of the Integrated Personnel and Payroll Information System."¹¹

A situation where only 18,000, a mere 0.013% of the population expend 25.58% of the aggregate budget, or share 34% of the recurrent expenditure should move one to tears. Put differently, these 18,000 civil servants take more than the ₦1.1 trillion budgeted for capital expenditure in 2014

The second example further consolidates the fact that public expenditure is skewed towards filling the bottomless pockets of a tiny minority of the Nigerian elite. A Presidential Committee on the Reform of the Public Service submitted its findings to the government on 28th January, 2013 with a revelation that the top echelon of the service take away up to ₦1.126 trillion yearly in salaries and allowances. The Presidential Committee on the Review of the Reform Processes in the Nigerian Public Service, led by former Head of Service, Adamu Fika, presenting the report

11 Business Intelligence, This Day Newspaper, 24 March 2014

to the Secretary to the Government of the Federation, Anyim Pius Anyim, in Abuja, explained that huge resources are being spent on salaries and allowances of holders of certain public offices, who constitute only 0.013% of Nigeria's population. He said in the perquisites approved for these officers by the Revenue Mobilisation, Allocation and Fiscal Commission (RMFAC) from July 2007, salaries and allowances shot up to ₦1.126 trillion. "Of (all) these, salaries took a mere ₦94.56 billion, while allowances gulped the whole of ₦1031.65 billion, which represented 91.56%," he continued; "There is therefore a need to take a hard look at this glaring anomaly, where allowances are ten times greater than salaries. Such a re-examination is very necessary in the light of the fact that the total number of beneficiaries of the RMFAC largesse is only about 18,000 officers, while the population of Nigeria then was estimated at ₦167 million." He added: "It is not morally defensible from the perspective of social justice or any known moral criterion that such a huge sum of public funds is consumed by an infinitesimal fraction of the people, which is less than 0.013% of the total population." Fika did not mention the category of public officers, who collect these salaries, but the constitution empowers the RMAFC to fix pay packages for the President, Vice President, Ministers, Governors, Commissioners, federal and state legislators, senior judiciary officers, as well as members of federal and state executive bodies.¹² A situation where only 18,000, a mere 0.013% of the population expend 25.58% of the aggregate budget, or share 34% of the recurrent expenditure should move one to tears.

Put differently, these 18,000 civil servants take more than the ₦1.1 trillion budgeted for capital expenditure in 2014. These are the people who have the platform to also misapply the capital vote through inflated and non-executable contracts despite the rigorous provisions for due process set out in the Public Procurement Act and the oversight of the Public Procurement Bureau. Fika mentioned 'the top echelon of the service' a term that may perhaps exclude the politicians and the National Assembly members with their jumbo pay, constituency allowances, budgeted projects and 'the up keep' of their political friends, associates and party leaders which all come out of the national wealth. Who will still argue that the cost of government is not high and that the poor man has a fighting chance in Nigeria? But wait for the third example.

Government signed into law the "Certain Political, Public and Judicial Office Holders (Salaries and Allowances etc.) Act, 2002" effecting recommendations on the monetisation of the fringe benefits of civil and other public servants excluding residential accommodation, furniture allowance, utility allowance, domestic servant allowance, motor vehicle loan and transportation, fueling and maintenance, entertainment allowance, leave

¹² <http://tonynwajeipost.blogspot.com/2013/01/18000-officials-gulp-n113trn-yearly.html>

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grant and meal subsidy have all too been monetized with effect from 1st July, 2003¹³. The monetisation policy implies that salaries and wages will include all monetised benefits of staff, such as housing, transportation, utilities, to mention but a few. The idea is that employees are therefore required to be responsible for all their expenses including accommodation, transportation and whatever, as listed in the Act etc. The Ministries, Extra-Ministerial Departments and Federal Government Agencies from then on, are to purchase no new vehicles. Government will no longer provide chauffeur-driven cars to its officials; rather they are expected to use their personal vehicles and drivers, for private and official assignments.

In addition, the use of pilot vehicles and siren by political office holders was discontinued in Abuja. Government no longer rented or built residential apartments for any category of political office holders or public servants, except the President, Vice-President, Senate President, Deputy Senate President, the Speaker of the House of Representatives, the Deputy Speaker, as well as the Chief Justice of the Federation. Specifically, Federal civil servants' benefits currently being monetised are: residential accommodation, furniture allowance, utility allowance, domestic servants' allowance, motor vehicle loan and fueling, maintenance and transport allowance, leave grant, meal subsidy, and entertainment allowance¹⁴. To this extent, houses occupied by civil servants were sold to them at below market value. There is evidence that Ministries, Departments and Agencies of the Federal Government have been violating the monetisation policy of the country. The National Assembly is not also spared from this phenomenon, which has continued to defeat the policy of government aimed at cutting down the cost of governance and increasing productivity in the public service.

According to *The Punch* newspaper of 26th October, 2013, several ministries and agencies of government have continued to purchase exotic and utility vehicles under

The annual salary of a Nigerian federal lawmaker at \$189,500, is 116 times Nigeria's GDP per capita, estimated at \$1,600. British members of parliament (MPs) earn 2.7 times their country's GDP per capita.

the guise that the vehicles are meant for project supervision. These vehicles are subsequently attached to high level officials who use them for purposes other than that which they were purchased for. Their examination of the 2013 budget showed that many agencies and ministries make little provision for the purchase of vehicles. However, they have bigger votes for the maintenance of vehicles and transport equipment and their investigation showed that some of these budgetary provisions had been subjected to

13 Mobolaji E. Aluko. (2003). Monetisation of Fringe Benefits in the Nigerian Public Service, Ph.D

14 <http://ayaperescholar.blogspot.com/2013/02/the-effect-of-monetization-on-federal.html>

abuse. This breach of laws occurs yearly even as the allocations for maintenance of vehicles were diverted for the purchase of exotic vehicles¹⁵. The most recent of this is the alleged purchase of two BMW bullet proof vehicles worth \$1.6m (N255m) for the Minister of Aviation, Ms Stella Oduah¹⁶. Other abuses abound that amount to deeper deprivations which short-change the people of Nigeria.

A report by *The Economist* magazine reveals that the Nigerian federal legislators are the highest paid in the world with an annual basic salary of \$189,500 (N30.6million). The report, quoting data from the International Monetary Fund (IMF), considered the salaries of lawmakers around the world and expressed it as a ratio of Gross Domestic Product (GDP) per capita. As set out in Chart 2.1 below, it reveals that the annual salary of a Nigerian federal lawmaker at \$189,500, is 116 times Nigeria's GDP per capita, estimated at \$1,600. British members of parliament (MPs) earn 2.7 times their country's GDP per capita. The astonishing fact that Nigerian federal legislators receive higher salaries than lawmakers from richer countries such as the US, Britain etc. should strike anyone as bizarre; but according to *The Economist* magazine that is the reality. The article read in part that: "In times of austerity, awarding yourself a fat pay rise goes down badly. An independent body's suggestion that British lawmakers' salaries should rise from £66,396 (\$105,400) to £74,000 in 2015 has prompted a media firestorm, even though perks such as a generous pension scheme would be slimmed down. British MPs earn around 2.7 times the country's GDP per person, on a par with many rich countries, but their basic pay is parsimonious by other states' standards, and defining the fairness in this case is tricky. Lawmakers in poorer countries in Africa and Asia enjoy the largest salaries relative to GDP, voters have noticed. Earlier this year, furious Kenyan demonstrators burned 221 coffins outside parliament in a row over the pay and benefits awarded to Kenyan MPs (known for their self-indulgence). Last month MPs lowered their salaries but still managed to secure themselves a \$58,000 car grant"¹⁷.

Clearly, self-indulgence is a Nigerian trait. Although the revelation is shocking, it is nevertheless a further evidence of the massive gap between the rich and poor in Nigeria. The legislator's jumbo pay partly explains why 70% of the nation's budget is gulped up in recurrent expenditure. We are using a huge chunk of the nation's resources to service just less than 200,000 people in a country of over 170 million people. These 'servant leaders' as they illusorily call themselves serve their pockets only and nobody else. Their productivity is even doubtful. On 7th March, 2012 *The Punch* Newspaper wrote:

15 <http://www.punchng.com/news/mdas-violate-monetisation-policy/>

16 <http://saharareporters.com/news-page/nigerias-aviation-minister-admits-she-bought-two-bmw-cars-cost-16-million>

17 <http://naijanomics.me/2013/07/22/nigerian-lawmakers-salary-golden-peanuts-for-nothing/>

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"Buffeted by adverse living conditions, Nigerians are increasingly questioning the relevance of their federal lawmakers. Some influential voices have raised concerns over the poor quality of lawmaking, the expense of maintaining the parliament and the low productivity of legislators. But since the critical arm of government in a democracy remains the parliament, efforts must be stepped up to reform the legislature and compel productivity and accountability. The true measure of the value of a legislature is how carefully the members protect collective liberties and promote the well-being of the people.

In a nation notorious for low productivity and lack of accountability among public servants, our National Assembly ranks at the very top of the indolence chart. A survey by a business publication in May last year claimed that our federal lawmakers cost the taxpayer some ₦318.2 billion to maintain in the three years to 2010. The results were paltry. In the first 12 years of the Fourth Republic, the parliament reportedly passed only 134 bills and many were the various appropriation bills in which the lawmakers often have vested interests. This averages 11 bills per year or less than one bill per month.

Today, there are said to be 189 bills pending at the National Assembly some of which are adjudged to be crucial to the economy. They include the Nigeria Railway Amendment Bill that seeks to repeal the colonial Railway Act of 1955 and open the way for private sector and states' investment in railways, thereby ending the federal monopoly over this strategic sub-sector. Others are the Petroleum Industry Bill whose inexplicable delay has held up investments in the critical oil and gas sector; the Minerals bill that will also open the floodgates to private exploitation of solid minerals, and several others. Indolence and carelessness over those issues that can lift the 70% of Nigerians living in poverty are manifest. The Railway bill has suffered delays for over seven years. Legislative rascality killed the Minerals bill at the Sixth National Assembly that was dissolved in May 2011, just as a last-minute intrigue involving the Presidency squelched the PIB last year."¹⁸

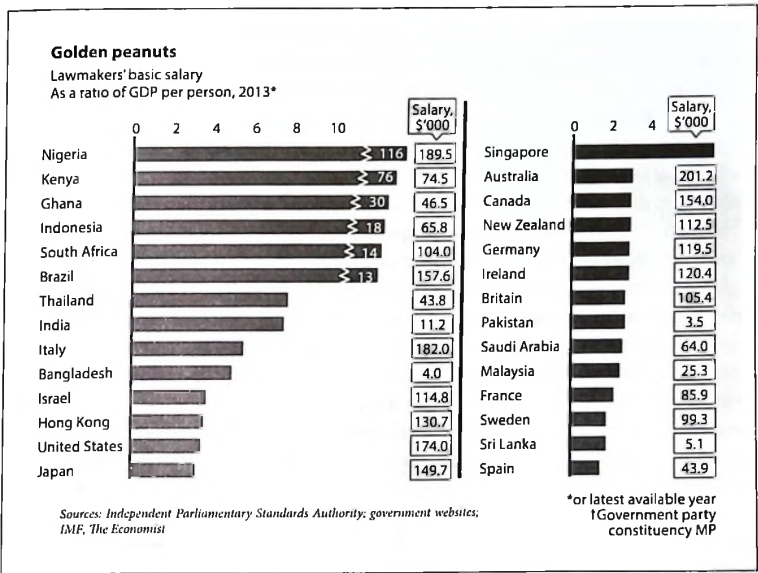
If the above do not confirm that Nigeria is running one of the costliest, most wasteful and most unproductive democracy in the world, what else will? The nation will definitely not be able to develop, lift the people out of poverty and ensure a better standard of living for them this way when huge sums of money is spent to service the private and selfish pockets of a few. Continuing down this path means certainly that the decaying infrastructure cannot be replaced and there will not be investment in productive activities to expand the economy. The average Nigerian is sentenced to shrinking choices in life and cannot have a good standard of living because he cannot access good education, good medical care, good roads and other basic necessities of life when only the elites are smiling to the banks. The National Assembly members who refused to publicly declare what they pay

18 <http://www.punchng.com/editorial/our-unproductive-national-assembly/>

themselves rejected the above reports, describing them as “grossly exaggerated without stating the fact.”

There are numerous examples of how the elites, mainly civil servants and politicians, perpetuate the status quo that favours them to the detriment of the long suffering people of Nigeria, but only one will be cited in addition to the cases earlier cited. It is important as it underscores why the civil service costs are bloated and why there is so much waste in this most expensive government known to man on earth.

Chart 2.1 - Golden Peanuts - Lawmakers' basic salary



Chairman of the Presidential Committee on the Rationalisation and Restructuring of Federal Government Parastatals, Commissions and Agencies, and a former Head of Service of the Federation, Mr Stephen Oronsaye, presented a report on the rationalisation and restructuring of Federal Government Parastatals, Commissions and Agencies with the following recommendations and statements:

- i. The reduction of the existing 263 government's statutory agencies in the country to 161: He said in all, the committee recommended the abolition of 38 agencies, merger of 52 and reversion of 14 agencies to departments in the relevant ministries.
- ii. Government would be saving over ₦862bn between 2012 and 2015: The breakdown

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- showed that about ₦124.8bn would be reduced from agencies proposed for abolition; about ₦100.6bn from agencies proposed for mergers; about ₦6.6bn from professional bodies; ₦489.9bn from universities; ₦50.9bn from polytechnics; ₦32.3bn from Colleges of Education and ₦616m from boards of Federal Medical Centres.
- iii. The management audit of 89 agencies capturing biometric features of staff as well as the discontinuation of government funding of professional bodies/councils.
 - iv. Oronsaye regretted that 12 years after the White Paper on the Ahmed Joda Panel Report on the Review of Harmonisation and Rationalisation of Federal Government Parastatals, Institutions and Agencies, which government had decided should either be scrapped, commercialised, privatised or self-funding, these agencies were still receiving full government funding, which run into billions of naira.
 - v. He said the committee, in the course of its assignment, found out the duplication and overlap in the mandates of many parastatals and agencies, adding that successive administrations abolished parastatals without regard to existing laws and, in some cases, outright non-compliance to extant laws.

For instance, while acknowledging that the Federal Road Safety Corps (FRSC) has been quite active, the committee observed that what the FRSC was set up to do is a replication of the mandates of two existing bodies namely: the Highway department of the Federal Ministry of Works with respect to the maintenance of safety and orderliness on our highways and the role of the Nigeria Police Force in ensuring law and order on our roads. According to the Committee "Indeed, it is a fundamental breach of acceptable practice of good public sector governance to create a new agency or institution as a response to the seeming failure or poor performance of an existing agency in order to suit political or individual interests. "Such a practice has proved eventually to precipitate systemic conflicts, crises and even collapse at a substantial but avoidably high financial cost to government. The setting up of the FRSC to take over partially the functions already apportioned by law to the Federal Ministry of Works and the Nigeria Police Force as a result of seeming poor performance and/or to satisfy political and individual interests. "Meanwhile, on the one hand, other bodies have their mandates intact as the relevant provisions of their enabling laws have not been repealed. On the other hand, the same provisions have been imported into the FRSC Act, making it appear as if the intention of government is to make the FRSC have the same mandate as the bodies referred to."

On the EFCC and ICPC, the Oronsaye Committee reported, "It was noted that the functions of the EFCC and the ICPC are the traditional functions of the Nigeria Police. The Committee observed that even though the two commissions were established separately to address corruption, which the Police appeared to have failed to do, successive administrations have ironically continued to appoint the Chairman of the EFCC from the Police Force, while the methodology adopted by the ICPC in conducting investigations as well as the training of its personnel in investigation procedure is carried out by the

Police. One wonders if it was really expedient to dismember the Nigeria Police rather than allow it to evolve as a vibrant and effective agency. This is a typical example of misadventure in the Public Sector at a great cost to government.”

The former Head of Service of the Federation made a very important point which is that the basis of entrepreneurial government should be a focus on efficient delivery of service and the reward of positive performance instead of inefficiency and mediocrity. He explained that the fact that an institution was inefficient and ineffective should not be a basis for the creation of new ones. This government attitude has significantly led to the proliferation of parastatals and agencies that duplicate the functions of other agencies and merely act as drain pipes to the nation's resources while adding no value whatsoever. Rather, entities with inherent problems should be diagnosed and government should focus on addressing and removing factors that militate against the effective performance of such agencies. In this respect, Oronsanye gave three very good examples. Firstly, the officers and men of the Nigeria Police Force (NPF) have been reputed for performing exceptionally well and winning laurels while on international peacekeeping and other missions implying that the problems of the Nigeria Police were not totally incurable, given their performance outside the country.

The fact that an institution was inefficient and ineffective should not be a basis for the creation of new ones. This government attitude has significantly led to the proliferation of parastatals and agencies that duplicate the functions of other agencies and merely act as drain pipes to the nation's resources while adding no value whatsoever.

However, the EFCC and the ICPC have been used to further relegate the functions of the NPF as they now do the work that should appropriately be carried out by the NPF. Secondly, Nigerian Communications Satellite Limited (NigComSat), was established as the commercial arm of the Nigerian Space Research Development Agency (NASRDA), with a sunset clause, but has now expanded its scope and is in rivalry with its parent body. The NigComSat Act duplicates the satellite development functions of NASRDA, as well as it veers into the statutory functions of the National Broadcasting Commission and the Nigerian Communications Commission in the area of frequency allocation. The committee noted that Nigeria could not afford to sustain the funding of multiple space research institutes when other more technologically advanced countries of the world, where space research was a priority, had only one. Thirdly, he highlighted the case of the Nigerian broadcasting agencies (the Nigerian Television Authority, the Federal Radio Corporation of Nigeria and the Voice of Nigeria), which he said the committee believed focused more on structure instead of on the core important acquisition of broadcasting software. The mass media and

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communication of a country should be underpinned by efficient use of resources and collaboration and should take advantage of a single coordinating point.¹⁹

On 8th April 2014, the Information Minister, Labaran Maku explained that President Jonathan had issued a directive at the Federal Executive Council (FEC) meeting that

We should strive to maximise the quantity and quality of output, at the same time by making efforts to utilise reduced input, which in combination with improved processes, can achieve the same or even higher output

the rationalisation committee is to commence a collaborative mass media coordinating point. The committee would work on the merger of the agencies and parastatals already marked for merger. He said the president assured the council that the government would be moving fast in implementing the 105-page White Paper to cut cost, ensure efficiency and enhance productivity in the civil service. You would recall that the White Paper on the report of the Oronsaye report on the restructuring of agencies has already been publicised.

According to Maku, the president said; “we’ll be moving ahead quickly in the implementation of the document because this administration is very serious in bringing down the cost of governance and ensuring more efficiency”²⁰. Whilst awaiting the details of the above White Paper to see if it will go far enough and cut deep enough, the report of the Presidential Committee on the Rationalisation and Restructuring of Federal Government Parastatals, Commissions and Agencies shows how successive governments of Nigeria have wastefully applied the resources of the country. We live in a world where resources are scarce. As a result, we have to strive to be very efficient in the way that we allocate our resources in order to maximise and optimise output from available resources for the benefit of the people but this has not been the case over the years. Apart from eliminating duplication and waste which abound all around us, we should even pursue an entrepreneurial approach to government. We should strive to maximise the quantity and quality of output, at the same time by making efforts to utilise reduced input, which in combination with improved processes, can achieve the same or even higher output. Economists usually talk of a trade-off as an alternative choice between quantity and quality of output, which is in itself a wrong choice. The appropriate alternative choice for government is to strive to do more with less. In other words, the government needs to imbibe and pursue the tenets of value for money. Resources are finite, hence it is absolutely impossible to obtain all that is needed and therefore, have to make choices. Extravagance defeats economy and efficiency in the pursuance of value for money. The

19 <http://www.punchng.com/news/fg-may-scrap-efcc-icpc-frsc-others/>

20 <http://dailytrust.info/index.php/news/21236-jonathan-orders-implementation-of-white-paper-on-uronsaye-report>

pursuance of value for money by government is inversely a fight against waste. However, ostentatious spending that yields no value whatsoever and the use of excessive resources beyond the required optimal inputs, is the norm rather than the exception in Nigeria and this needs to change if the country must aspire towards economic development. In the pursuit of value for money, it is important that government thinks entrepreneurially. An entrepreneur shifts resources out of an area of a lower productivity into an area of a higher productivity and greater yield. An entrepreneur therefore uses resources in new ways to maximise efficiency (productivity) and effectiveness carefully avoiding the duplication in the application of scarce resources. The private sector owes its survival instinct to its ability to react and adapt to a continuously changing environment. Public institutions also need the flexibility to respond swiftly to rapidly changing and complex conditions.

When in May 2014, Godswill Akpabio the Governor of Akwa Ibom State got the State House of Assembly to pass a bill that he should be entitled inter alia, to ₦100 million every year as his medical bill a sum which is to be a part of his pension's package and will be enjoyed by elected former governors and deputy governors, a majority of Nigerians raised an outcry. The Guardian in its editorial of 4th June, 2014 had this to say, "If there was ever any doubt that greed rules in Nigeria, that the only reason many seek high offices is the material gain therein, the gluttony and insensitivity in high places have cleared such. Besides blatant corruption, a perfect illustration of this culture is the sumptuous benefits to which political office holders treat themselves at the citizens' expense. Now it has gone to such ridiculous levels that it has to be perpetuated for life even when the rest of the people wallow in abject poverty. This is an unbelievable shame. Sadly, Akpabio is not alone in this scandalous and selfish application of scarce resources by state governors. The Governor of Rivers State, Rotimi Amaechi, former Governors Shekarau of Kano State and Bukola Saraki of Kwara State did something similar. Even in Lagos State, Gombe and others, insensitive welfare packages for former governors and deputies are in place. But there is something that makes Akpabio's case unique and different from all others. The other cases, apart from Rivers State's, appear to be a one-off payment and mere administrative act of a governor desperate to show appreciation to a benefactor who planted him in office.

There is no legislation that gives it perpetuity as it is in Akwa Ibom's case. Even if this is contestable, none is as elaborate and far-reaching in content and provision as Akpabio's. He may have set a template, a very rich one that qualifies as a study in selfishness which others may find useful and willing to emulate. This latest development does not, however, inspire confidence that tomorrow would be better than today even with the youth at the helm of affairs. It seems indeed, with Akpabio and his like, it may be worse. The leaders of yesteryears did not vote so much money for life after office. And yet, they did not steal or were not likely to have stolen as callously, ferociously, brazenly and irresponsibly as the

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present crop of politicians do. In the case of Akwa Ibom State, Akpabio must retrace his steps, to shed an already earned reputation as the poster boy for the republic of greed". The greed of elites and so-called leaders as exemplified by the Akpabio saga is legendary as it is mind-boggling but it is a common thread that encircles the Nigeria political and economic strata.

The above are just a few examples but form a clear and powerful reminder that the expansion of developmental output (if we are ever able to make that happen significantly) and wealth in Nigeria amount not to an end but only the creation of means to the end. The end purpose of development will not translate to improved human well-being except a radical break is made with the past. How to relate the means to the ultimate end should once again become the central focus of development analysis and planning in Nigeria.

The Nigerian elite believes in the Animal Farm principle that "All animals are equal but some are more equal than others". He believes in the "I before others principle", where the winner takes all.

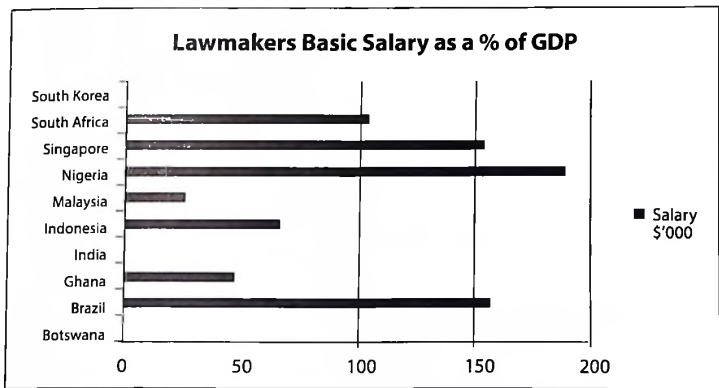
How can economic growth be managed in the interest of the people? What alternative policies and strategies need to be pursued if people, not commodities, are the principal focus of national attention? Before delving into all that, it is important to discuss the most important challenge that the Nigerian which militates significantly against progress in this direction. Identifying the challenge and confronting it amounts to a moral equivalent of a necessary war that should be fought and won across Nigeria in order to make progress. The war is as simple as it is clear. It is how best to address the "bush meat" mentality of the Nigerian elite so as to change it to one that is in tune with the principles espoused by Thomas Jefferson that opened this discourse. The belief of the Nigerian elite runs absolutely contrary to these principles. The Nigerian elite believes in the Animal Farm principle that "All animals are equal but some are more equal than others". He believes in the "I before others principle", where the winner takes all. Above all, he believes that the person opposite him is pure bush meat and must be eaten to the bones and tossed in the trash which means that others should be used, milked and thrown away like garbage purely for his own greedy benefit.

A little illustration will explain what the bush meat mentality implies. For the best part of 2013, university lecturers were on strike to press home their demand of a better pay and improvement in university funding, which is so poor that universities in Nigeria are now less of tertiary centres of excellence and more of glorified secondary schools. In the middle of the strike, a discussion between a National Assembly member and a mutual friend debated the issue. The National Assem-

Will it be out of place if the Nigerian people were to insist that legislators' pay should be tied to the country's GDP and payment is based on performance and results?

bly member wondered why the lecturers were keeping children at home on the flimsy excuse of demanding improvements in conditions of service, including funding to improve the quality of education. He concluded that the lecturers should stop complaining and go back to the classroom. Coming from a group that literally awards themselves jumbo pay that is not publicly declared, as earlier discussed, amounted to a declaration of how unequal the lecturers were in comparison to honourable and distinguished members of the National Assembly. It was thereafter necessary to remind the honourable that Nigerians are all equal and have the same basic needs to meet, including shelter, food on the table and all such things. The question is, what have the members of the National Assembly put into the Nigerian system to make them take out 116 times of the GDP per capita, while the lecturers take much more less? Yet the lecturers are charged with moulding the leaders of tomorrow including those of the National Assembly except again that in the “bush meat” mentality, their children do not go to Nigeria universities but are all overseas in the best schools that money can afford. As the chart 2.1 below shows, the Nigerian legislator, who straddles a GDP per capita of less than \$2,000 (before rebasing), takes more in salary than the Singaporean Member of parliament who sits on a GDP per capita of over \$51,709 in 2013. Will it be out of place if the Nigerian people were to insist that legislators’ pay should be tied to the country’s GDP and payment is based on performance and results?

Chart 2.2 - Lawmakers Basic Salary as a % of GDP



Source: Compiled by Project Hope from the Economist of 20 July, 2013

The above will not be a bad idea when viewed against the scandalous cost of government in Nigeria. The cost of operating the current presidential system in Nigeria with the

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presidency, 36 state governments and 774 local governments, including the retinue of assistants and assistants to assistants and all that endless numbers cannot develop Nigeria politically and economically. The "winner takes all" outcome of the presidential system is alien to the African culture of communal congregationalism. The presidential system does not create the required accountability necessary for a developing and evolving system to flourish. The parliamentary Prime Minister "Question Time" is fascinating not to talk of the transparency and information dissemination that arises from it. It is not by accident that most of the Nigeria comparator countries like India, Malaysia, and Singapore all still practice parliamentary democracy from Independence till date. It suffices to mention that corruption is highly rooted under the present Presidential system than the Parliamentary system since power corrupts and absolute power corrupts absolutely.

Create wealth, not poverty

One of the world's main priorities is to eradicate poverty. This is the first of the eight Millennium Development Goals, for which the target for 2015 was to half the proportion of people living on less than \$1.25 a day relative to 1990. This goal was achieved three years before that target date, primarily because of the success of some of the most populous countries: Brazil (where the percentage of the population, living on less than \$1.25 a day went from 17.2% to 6.1%), China (from 60.2% to 13.1%) and India (from 49.4% to 32.7%).²¹ As a result, fewer people on planet earth are poor. For example, between 1990 and 2008, China alone lifted a remarkable 510 million people out of poverty.²² But this success story did not happen in Nigeria as evidenced in the HDI Multidimensional Poverty Index set out in Table 2.8 which covers the following:

Multidimensional Poverty Index: Percentage of the population that is multi-dimensionally poor adjusted by the intensity of the deprivations.²³

Multidimensional poverty headcount: Percentage of the population with a weighted deprivation score of at least 33%.

Intensity of deprivation of multidimensional poverty: Average percentage of deprivation experienced by people in multidimensional poverty.

Population vulnerable to poverty: Percentage of the population at risk of suffering multiple deprivations—that is, those with a deprivation score of 20%–33%.

21 HDI Report 2010

22 HDI Report 2012

23 See Technical note 4 at <http://hdr.undp.org/en/media/HDR 2013>

Population in severe poverty: Percentage of the population in severe multidimensional poverty—that is, those with a deprivation score of 50% or more.

Contribution of deprivation to overall poverty: Percentage of the Multidimensional Poverty Index attributed to deprivations in each dimension.

Population below PPP \$1.25 a day: Percentage of the population living below the international poverty line \$1.25 (in purchasing power parity terms) a day.

Population below national poverty line: Percentage of the population living below the national poverty line, which is the poverty line deemed appropriate for a country by its authorities. National estimates are based on population weighted subgroup estimates from household surveys.

Table 2.8 – Multidimensional Poverty Index

		Population in multidimensional poverty						Population below the poverty line				
Multidimensional Poverty Index		Headcount		Intensity of deprivation	Population vulnerable to poverty	Population in severe poverty	Contribution of deprivation to overall poverty (%)			PPP \$1.25 a day	National poverty line	
Year	Value	(%)	'000	(%)	(%)	(%)	Education	Health	Living standards	2002-11	2002-12	
Estimates based on surveys for 2007-11												
Ghana	2008	0.144	31.2	7,258	46.2	21.6	11.4	32.1	19.5	48.4	28.6	28.5
Indonesia	2007	0.095	20.8	48,352	45.9	12.2	7.6	15.7	50.6	33.8	18.1	12.5
Nigeria	2008	0.31	54.1	83,578	57.3	17.8	33.9	27	32.2	40.8	68	54.7
South Africa	2008	0.057	13.4	6,609	42.3	22.2	2.4	7.5	50.5	42	13.8	23
Estimates based on surveys for 2001-06												
Brazil	2006	0.01	2.7	5,075	39.3	7.0	0.2	39	40.2	20.7	6.1	21.4
India	2005/2006	0.283	53.7	612,203	52.7	16.4	28.6	21.8	35.7	42.5	32.7	29.8

Source: Human Development Report, World Bank

Poor people do not just suffer from a lack of income alone. Poverty has multiple dimensions, with deficits to the poor in many ways, including health and education. Moreover, an estimated 10% of the global population is afflicted by some form of disability, potentially limiting their standard

Poor people do not just suffer from a lack of income alone. Poverty has multiple dimensions, with deficits to the poor in many ways, including health and education.

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of living regardless of income. Inequality reduces the pace of human development and in some cases may even prevent it entirely. This is most marked for inequality in health and education in a developing country like Nigeria and less so for inequality in income, where the effects are more substantial in high and very high HDI countries.

Nigeria fares very badly in the Multidimensional Poverty Index with a score lower than any of its peers. Nigeria recorded in 2012, 54.1% in Headcount poverty, 57% in intensity of deprivation, 68% in PPP international poverty level and 54.7% in national poverty level.

The principal causes of poverty can be summarised as follows:

1. **Under-development:** Due to underdevelopment, a large portion of the population has to go without even the most essential needs of daily life because total national income, and hence aggregate consumption is too small relatively to the enormous size of the population.
2. **Inequality:** Underdevelopment and inequality of income and wealth are the twin major contributor to causes of poverty.
3. **Inadequate growth rate:** This is one reason planning to make a major dent in poverty has failed. Against a high population growth, the low historical growth rates recorded by Nigeria tend to perpetuate poverty.
4. **High growth rate of population:** The growth rate of population in Nigeria at 2.5% has been very high as against the growth rate of the economy. This has failed to bring about the required improvements in living standards. High growth rate of the population accompanied by the low growth rate of the economy brings down the per capita income and the per capita consumption expenditure, and thus increases poverty.
5. **Unemployment:** As has been explained earlier, poverty is also on the increase with the rise in the number of unemployed. The number of unemployed persons has been increasing in the last two decades. There is hardly a family in Nigeria that does not have at least one unemployed graduate. Consequently, employment and underemployment in families have increased poverty.
6. **Regional disparities:** There are extreme regional disparities accounting for poverty across the country, a fundamental challenge to unity and national integration which will be discussed in more detail in the next chapter.
7. **Social factors:** In Nigeria, people are caught in the vicious circle of poverty due to the prevalent socio-cultural norms. In order to fulfil social obligations such as wedding ceremonies, house warming, etc., people spend extravagantly well beyond their means. With already low income levels and with negligible savings culture, people even go into massive debt to keep up. The high level of indebtedness is both the cause and effect of poverty. Besides, illiteracy, ignorance etc. have also prevented people from adopting modern ideas and techniques to increase their incomes to ward off poverty.

A keg of gun powder waiting to wexplode

The International Monetary Fund (IMF) recently predicted that Nigeria's economy will grow by 7.3% this year, from 6.4% in 2013. According to the IMF, Nigeria's growth this year will be driven by sectors outside its dominant energy industry, while inflation will continue its downward path. Just like the multilateral institution has forecasted, some other notable international institutions have also predicted positive outlook for the Nigerian economy. Nevertheless, despite robust growth in recent years and an attractive investment outlook, Nigeria still suffers from gaping income inequality. Inequality reduces the pace of human development and in some cases may even prevent it entirely. Although thousands of new millionaires are created yearly in Nigeria, a greater fraction of the country's large population still live on less than \$1.25 a day while unemployment rate is high and rising. The economic growth rate could even be higher if the economy were not shackled by structural bottlenecks.

Inequality reduces the pace of human development and in some cases may even prevent it entirely.

Table 2.9 – Decent work and productive employment

	Employment to population ratio				Gross enrollment		Vulnerable employment				Labour	
							Unpaid family workers & own				GDP per person	
	Total	Youth	% of relevant age		Male	Female	GDP per person					
	1991	2010	1991	2010	1991	2010	1991	2010	1991	2010	1991	2010
Botswana	56	63	36	41	49	..	..	..	..	..	..	..
Brazil	60	65	54	53	..	101	29	27	30	22	-0.3	1.8
Ghana	68	67	43	36	35	58	..	..	..	..	0.7	1.9
India	58	54	46	34	46	60	..	..	..	..	1.0	5.6
Indonesia	63	63	46	40	46	77	..	62	..	67	6.2	3.2
Nigeria	53	51	29	32	24	44	..	..	..	..	-2.8	4.6
Malaysia	60	59	46	35	57	68	31	23	23	20	6.0	0.3
Singapore	64	63	56	34	..	..	10	12	6	7	-2.0	5.0
South Africa	59	51	46	21	88	89	..	17	..	7	-0.8	1.6
South Korea	59	58	36	24	91	97	..	23	..	27	5.1	2.7
Sub-Saharan Africa	63	64	46	46	22	36	..	..	..	..	-4.8	1.5

Source: World Development indicators

This has created a situation where unemployment in Nigeria is the major propellant of poverty and one of the most critical problems the country is facing. Many years of corruption, mismanagement of the economy, civil war, military rule, etc., have cumulatively

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hindered economic development of the country. Nigeria is endowed with diverse natural resources, both human and material. However, yearly retrogressive economic policies have led to the mis-allocation and underutilisation of these resources. This is one of the primary causes of unemployment in the country. Analysis of employment data shows that the rate of new entrants into the labour market has been at an average of about 1.8 million per year. In 2011, Nigeria's estimated population stood at 164.3 million, out of which 92.3 million were said to be economically active, Labour force – 67.25 million, Employed – 51.18 million, Unemployed – 16.07 million and Newly employed – 2.13 million. The year 2010 statistics showed that about 10 million Nigerians were unemployed as at March, 2009. The 2011 survey showed that the national unemployment rate is 23.9% compared to 21.1 per cent in 2010 and 19.7% in 2009²⁴.

An examination of the UNDP Decent pay and productivity employment metrics for 2012 gives a better insight into the Nigerian labour market in relation to its comparators as set out in Table 2.9. This covers the following:

Employment to population ratio: This is the proportion of a country's population that is employed. People that are 15 or older are usually considered the working age population. People of age 15 – 24 are usually considered the youth population. This data, which was available for 2010, shows Nigeria in a tie with South Africa at 51% (down from 53% in 1991), meaning that about half of the population of the working age was out of work that year. Other countries fared significantly better despite the 2008/2009 financial crunch and its consequent employment deflation tendencies. This ratio rose for youths in Nigeria from 29% in 1991 to 32%, meaning that despite a slight improvement here in the nine years to 2010, 68% of the Nigerian youths remained unemployed.

Gross employment ratio: Although not strictly speaking an employment metric, this ratio shows the total enrolment in secondary school regardless of age to the population of the age group that officially corresponds to the secondary education. It shows children who should be in school but are not, consequently becoming street children who are either child labourers or unemployed and unemployable children. Nigeria was again the poorest in this category, but the little cause for cheer is that the metric improved from 24% in 1991 to 44% in 2010. This is still appalling, particularly as all its comparators (except Ghana at 58%) recorded over 60% enrolment. It is important that government urgently addresses this situation and gets this metric to more than 60% as this will take the Nigerian child off the street, away from harm into the classroom to pursue an opportunity to earn a good life.

24 See more at: <http://www.vanguardngr.com/2014/03/will-drum-beats-revolution-start-nigeria/#sthash.tfEZZ6vG.dpuf>

Vulnerable productivity: This is the proportion of unpaid family workers and own-account workers as a percentage of total employment. Unfortunately, Nigeria has no data in this area which speaks volumes as regards data collection particularly from the regular national census.

Labour productivity: This is the growth rate of Gross Domestic Product (GDP) divided by the number of people engaged in the production of goods and services. Nigeria recorded a negative GDP productivity of -2.8% in 1990/1992 but raised this to 4.6% in 2008/2010 which was better than most of its peers except for India and Singapore that recorded 5% and 5.6% respectively. This improvement was due to the growth in GDP in 2008/2010 rather than the productivity of the Nigeria worker which is very low in comparison to its comparators. This again re-emphasizes that investment in people is vital and stresses the need to develop human capabilities. But it is equally concerned with how those capabilities are used by people who can participate freely in social, political and economic decision-making and who can work productively and creatively for development. So, if Nigeria is to promote economic growth in the future, its work force must acquire the more advanced skills needed at frontiers of the new technological age. East Asia's industrial "tigers" have demonstrated just how this can be done. The Republic of Korea increased labour productivity by 11% a year between 1963 and 1979 and Thailand has surpassed even this performance by increasing productivity by 63% between 1980 and 1985. Human development contributed much to these gains in productivity and economic development.²⁵

Table 2.10 sets the labour force structure which broadly looks at the labour force participation rate and the labour force composition.

Labour force participation rate: This is the proportion of the population ages between 15 and more that engages actively in the labour market, by either working or looking for work during a reference period. At 63% for male population and 48% for the female, Nigeria leaves millions of people outside this working class much worse off than its peers.

Labour force: These are people between ages 15 and more who engage actively in the labour market either by working or looking for work during the reference period. It includes both the employed and the unemployed. The data of 39.2 million in the year 2000 and 50.3 million in 2010 shows growth in Nigeria work force. One would have thought that the annual growth rate of 2.5% compared to the over 7% annual growth rate will positively impact on unemployment. This is unfortunately not so as the misallocation of resources towards consumption and away from investment has created an economy that

25 HDI Report 2012

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is unable to absorb the army of new entrants into the employment market. Table 2.11 sets out employment in the three key sectors of agriculture, industry and services. Agriculture includes hunting, forestry and fishing. Industry includes mining and quarrying (including oil production), manufacturing, construction and public utilities (electricity, gas and water) while Services correspond to wholesale and retail trade, restaurants and hotels, transport, storage and communications, financing insurance, real estate, and business services, and community, social and personal services. Unfortunately, Nigeria has no data in this area.

Table 2.12 shows the level of lack of employment or work in the comparator countries in three key categories of:

Unemployment: This is the share of the labour force without work but available for and seeking employment.

Long term unemployment: This is the number of people with continuous periods of unemployment extending for a year or longer, expressed as a percentage of the total unemployed.

Unemployment by educational attainment: This is the number of unemployed by level of educational attainment as a percentage of the total unemployed. It is unfortunate that Nigeria has a blank slate in this area.

The fact that Nigeria has no data in this critically important area is indicative of how serious the situation has become. It speaks to the conventional wisdom of the weak which dictates that one should block his ears when evil abounds and feign ignorance of it and consequently "see no evil, speak no evil and hear no evil" in the hope that the evil will just go away. But how long can the government bury its head in the sand like the proverbial ostrich and pretend that unemployment, the keg of gunpowder of our time, waiting to explode, can be wished away? Is, even, a simple census exercise of unemployed graduates too difficult to embark upon? Surely, the first step to solving a problem is the ascertainment of the size and enormity of that problem. Yet in the crucial area of unemployment, UNDP has absolutely no data on the status of Nigeria. The Federal Government since 2009 has been singing the tune of tackling unemployment but so far, there has been no serious sign of improvement. Today in Nigeria, almost half of 15-24 year old citizens living in urban areas are jobless, yet the

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propaganda of reducing unemployment and enhancing economic productivity are top priorities for the National Economic Management team. It is sad that year in, year out, billions are budgeted for recurrent expenditure with little allocation for capital expenditure that will lead to job creation. Fortunately, the buck stops at the President's table. He is the one who has the key to unlock and unleash the nation's economic potentials for the benefit of all Nigerians. The President has no one to cry to other than putting on a thinking cap and getting the job done creditably. For this, he should read the treatise of the late sage on the steps that need to be taken to tackle unemployment. As far back as 1970, the sagacious Chief Obafemi Awolowo had this to say on this critical issue: "We can now make a summary of what we think ought to be done in order to achieve the economic well-being of the individual.

1. The individual's output or production of goods and services must be requisite.
2. The individual must be in the fittest possible position to produce to the best of his innate and acquired ability;
3. The individual must have the opportunity at all times to produce enough for his well-being

Table 2.10 – Labour Force Structure

Labour force structure									
	Labour force participation rate				Labour force				
	Male		Female		Total million		Average annual % growth	Female % of labour force	
	2000	2010	2000	2010	2000	2010	2000-10	2000	2010
Botswana	80	82	70	72	0.8	1.0	2.4	46.9	46.3
Brazil	82	81	55	59	83.7	101.6	1.9	41.2	43.7
Ghana	77	72	73	67	8.4	10.4	2.1	48.1	47.6
India	83	81	34	29	409.4	472.6	1.4	27.8	25.3
Indonesia	85	84	50	51	99.6	118.0	1.7	37.7	38.2
Nigeria	67	63	45	48	39.2	50.3	2.5	40.1	42.8
Malaysia	82	77	45	44	9.9	12.0	1.9	34.7	35.8
Singapore	78	77	53	57	2.1	2.8	3.0	40.6	42.3
South Africa	61	60	44	44	15.2	18.2	1.8	43.1	42.8
South Korea	73	72	49	49	22.7	24.6	0.8	40.5	41.3
Sub-Saharan Africa	77	76	61	63	257.2	340.4	2.8	44.9	45.6

Source: Human Development Report, World Bank.

The reward to the individual must be in strict accordance with his relative output and in order to guarantee that this is the case, the forces of supply and demand

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must be controlled and regulated and

Those, who are unable to produce for reasons of youth, old age, pupilage or infirmity, should be sufficiently catered for.

All right-thinking people will consider these five principles as sound and acceptable. This is so because they are principles of common sense and are in any case, indispensable to social harmony²⁶. In order to translate this principle of productive full employment into implementable national objectives, he proposed the following:

There must be full employment for all; anything short of this cannot assure enough purchasing power and hence economic well-being for every Nigerian citizen who is able and willing to work. We have already noticed the deleterious and degrading effects which idleness or unemployment can have on unemployed persons. This must be avoided at all cost. Furthermore, it is well to remember always that as long as there are only four bones for six dogs, it is impossible to expect any kind of peace and quiet inside the kennel.

Table 2.11 - Employment by Economic Activity

Employment by economic activity												
	AGRICULTURE				INDUSTRY				SERVICES			
	Male		Female		Male		Female		Male		Female	
	1990-1992	2007-2010	1990-1992	2007-2010	1990-1992	2007-2010	1990-1992	2007-2010	1990-1992	2007-2010	1990-1992	2007-2010
Botswana	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	31	21	25	12	27	29	10	13	43	50	65	75
Ghana	66	..	59	..	10	..	10	..	23	..	32	..
India	..	45	..	65	..	24	..	18	..	30	..	17
Indonesia	54	39	57	38	15	22	13	15	31	40	31	47
Nigeria	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia	23	17	20	9	31	32	32	23	46	51	48	68
Singapore	1	2	0	1	36	26	32	17	63	73	68	83
South Africa	..	6	..	4	..	35	..	13	..	59	..	83
South Korea	14	6	18	7	40	20	28	13	46	73	64	81

Source: World Development Indicators

Every citizen other than self-employed persons should be guaranteed a national minimum wage compatible with decent living or economic well-being. This objective should

26 "The Economic Well-being of the Individual" delivered by Chief Obafemi Awolowo at the Christ Church Cathedral, Lagos on Sunday 8th February, 1970 at 10:30 am under the auspices of the Christian Laity of Nigeria - Voice of Wisdom Ibadan 1981

also apply to those who even though self-employed, work as co-operators in any field under Government supervision. The objective of minimum wage, apart from that of full employment is the best guarantee of economic wellbeing for the individual. It would put an end to exploitation on the part of employers and to inertia on the part of workers. It would positively raise the morale of the workers for increased productivity.

Every Nigerian citizen must be educated at public expense to the limit of his natural ability to enable him be in the fittest possible state to generate the utmost productivity that he is capable of. An arrangement under which some are educated and some are not, is inhuman, unjust and in the long run anti-social. It gives the educated an unfair advantage in economic, political and other social activities over their uneducated fellow citizens even though the latter might have greater inborn and latent talents than the former. Inequality, we can say, is borne to be among individuals. However the inequality must be such as, arise inevitably from natural and hereditary limitations, not one that is imposed by an unfair denial of opportunity. Furthermore, it is important to stress that apart from enhancing the social-economic status of the individual, education (especially quality education) also helps to eradicate processes such as superstition, fear, envy and hatred that often lead to strife and sometimes to the committing of heinous crimes. It is a truism to say that when, to a great extent, the mind is free from negative thoughts and is dominated by positive thoughts, a man's ability to produce and his chances to live a full and happy life are at the same time considerably enhanced.

There must be rapid industrialisation. This is essential in order that we may provide employment for the surplus labour, which will arise from the process of modernisation in order that we may become economically independent through self-sufficiency. However, we can still be voluntarily inter-dependent in over some aspects of manufacturing goods, both capital and consumer goods. As far as our present knowledge of our natural resources go, there are very few things which we cannot manufacture here in Nigeria, if we really put all hands on deck.

New roads must be constructed to modern standards to achieve a target of at least one mile of road to two square miles of territory. At the same time, existing roads, bridges, railways and waterways must be reconstructed to the same standards. A man's productive efforts would be completely wasted unless the goods he produces can be bought quickly and cheaply by those who require them. At present, this is not the case in most parts of the riverine areas. In these parts, poverty will continue to be more or less a norm, until we take bold and massive steps to increase the mobility of resources and goods in the manner advocated above.

The Government should make plans for the achievement of the objectives listed above within a reasonable period of time.

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Table 2.12 - Unemployment

Unemployment												
	Unemployment						Long term % of total			Unemployment by % of total		
	Total % of total		Male % of male		Female % of female		Total 1990-92	Male 2007-10	Female 1990-92	Primary 2007-10	Sec-ondary 1990-92	Tertiary 2007-10
	1990-1992	2007-2010	1990-1992	2007-2010	1990-1992	2007-2010						
Botswana	13.8	-	11.7	-	17.2	-	-	-	-	-	-	-
Brazil	6.4	8.3	5.4	6.1	7.9	11.0	-	-	-	49.3	35.7	4.1
Ghana	4.7	-	3.7	-	5.5	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-
Indonesia	2.8	7.1	2.7	6.1	3.0	8.7	-	-	-	43.4	40.6	10.2
Nigeria	-	-	-	-	-	-	-	-	-	-	-	-
Malaysia	3.7	3.7	3.4	3.6	4.2	3.8	-	-	-	10.4	60.9	24.9
Singapore	2.7	5.9	2.7	5.4	2.6	6.5	-	-	-	27.2	22.7	50.1
South Africa	-	23.8	-	22.0	-	25.9	14.4	-	-	15.4	80.7	0.8
South Korea	2.5	3.7	2.8	4.0	2.1	3.3	0.3	0.5	0.3	15.3	63.7	21.1
Sub-saharan Africa	-	-	-	-	-	-	-	-	-	-	-	-

Source: World Development Indicators

In his full employment discussion on the Economic Objectives for Nigeria, Chief Obafemi Awolowo went further to make these two key points:

"Firstly, there must be a comprehensive survey of unemployed and underemployed persons throughout the country. Their number and their distribution as to age, sex, vocation, and region (that is, State by State) must be ascertained with the utmost degree of accuracy. There is, at present, too much guesswork on this very important matter. The most authoritative figures on the subject are those of the Food and Agriculture Organisation, (FAO). In its Agricultural Development in Nigeria 1965-1980, the FAO gives the figure of our potential labour force as 30.6 million. Out of these, 25.1 million are said to be economically active, whilst only 14.45 million are economically effective. This is as much as saying that 5.5 million of our potential labour force are economically inactive and not in gainful employment, because they are students, housewives, suffering from infirmities, indolent, and willing to work but unable to secure employment. On the other hand, we have it on the authority of Dr. T.M. Yesufu in his "Labour in the Nigerian Economy" that the number of our unemployed is 60,000. The figures given by the Federal Department of Statistics are far from being comprehensive and, therefore, unreliable. Secondly, we must

conduct an inquiry with a view to determining and declaring a minimum standard of living which must be guaranteed to every Nigerian citizen in a state of full employment. In this connection, only one category of people calls for consideration. They are the economically effective. It is the duty of the State, in the interest of its economy, to pursue a policy which will make it possible for all those who engage effectively in productive activities to be in a fit physical, mental, and psychological state to give off their best.”²⁷

Had the words of this sage been taken to heart even if partly by successive governments, Nigeria would not be in the unemployment quagmire that it currently finds itself. Today, Nigeria is suffering from massive youth unemployment and the country does not even know the number of graduates that are roaming the streets without gainful employment.

The rapid expansion in the university graduate population adds to the urgency of job creation on a mass scale caused by the increase in the labour force that is matched by equally rapid expansion of employment opportunities. Creating this match will boost Nigeria’s demographic dividend. If enough decent jobs are not available to meet this demographic demand, the consequences are likely to include rising civil unrest, as demonstrated by the youth-led insurrections of the Arab Spring in 2011. The Arab Spring was a series of anti-government protests, uprisings and armed rebellions that spread across the Middle East. The term “Arab Spring” was popularised by the Western media in early 2011, when the successful uprising in Tunisia against former leader, Zine El Abidine Ben Ali, emboldened similar anti-government protests in most Arab countries. The protest movement of 2011 was an expression of deep-seated resentment at the ageing Arab dictatorships (some glossed over with rigged elections), anger at the brutality of the security apparatus, unemployment, rising prices, and corruption that followed the privatization of state assets in some countries. Rather than a single event, it is probably more useful to define the 2011 uprisings as a catalyst for long-term change whose final outcome is yet to be seen. The main legacy of the Arab Spring is in smashing the myth of Arabs’ political passivity and the perceived invincibility of arrogant ruling elites.²⁸ This is to show that when deprivation and lack (in form of unemployment, illiteracy etc.) are the order of the day in any nation, the citizens would one day be pushed to the wall and eventually unleash unrest, incivility and insurrection upon the government.

“Nigeria sits on many time bombs, but the deadliest time bomb of all is that of youth unemployment. There can be no talk of good governance where millions go unemployed and many are under the crushing weight of poverty”.

27 Obafemi Awolowo (1970). The Strategy and Tactics of the People’s Republic of Nigeria

28 <http://middleeast.about.com/od/humanrightsdemocracy/a/Definition-Of-The-Arab-Spring.htm>

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On 26th February, 2014 Bola Tinubu said, "Nigeria sits on many time bombs, but the deadliest time bomb of all is that of youth unemployment. There can be no talk of good governance where millions go unemployed and many are under the crushing weight of poverty". The nation is very much in the throes of this tragedy as was highlighted by the traumatic aftermath of the agonizing death of at least 23 young Nigerians, who showed up for the aptitude test of the Nigeria Immigration Service (NIS) on 15th March, 2014. A number of job hunters were trampled to death in stampedes which erupted in the screening centres of Abuja, Minna, Benin and Port Harcourt. To fill up 4, 556 vacancies, NIS's job advert attracted more than 500,000 unemployed graduates and milked a thousand naira each from them in a show of insensitivity of public servants in Nigeria and the pain that they are willing to inflict on hapless and poor citizens. Chike Obi put it very succinctly when he said that Nigeria needs to declare emergency on employment:

"I think we are in a very critical period of our economy. I do not share the view that things are getting better. I think things are getting much worse. We have to confront a critical problem in Nigeria, which is that we are 170 million people, growing at 3.5 per cent a year; this means roughly six million Nigerians a year. Based on the model you wish to employ, that means you have to create approximately four million jobs for those people a year. In addition, we have a backlog of unemployed people. Every Nigerian parent today is very concerned about jobs for their children. And we need to create six million new jobs a year. This problem is very exponential. If you don't address it today, five years from now, you have to create eight million jobs a year. And at that point, I don't think the society will hold. This is a very critical thing to consider. We have an (un)employment emergency in this country."²⁹

Teach a man to fish and you feed him for life

As a product of free education, which was the corner stone of the Western Region socio-economic policy from 1955, it can be permitted to start this discourse with another quotation from the sagacious Chief Obafemi Awolowo as he codified the above Chinese proverb into a speech titled: "We are offering free education so that every man and woman can find the way for the good of society", underscoring that education is one of the best investments any country can make. In the recognition that educated people are more productive and contribute more to a country's economic growth, Chief Obafemi Awolowo wrote:

"Today is the 25th anniversary of the Free Primary Education Scheme of which you are the proud heirs. Twenty-five years ago when the government of the Western Region

29 <http://www.punchng.com/business/sundayceo/we-need-to-declare-emergency-in-employment-chike-obi/>

under my leadership embarked upon the scheme in the areas now known as Bendel, Lagos, Ogun, Ondo and Oyo States, we called it a venture of hope. Indeed we had hoped that in due course not only primary education but all forms of education and at all levels would be made free and not only for this part of the country but also for all parts of the federation. When we started this scheme in 1955 we were not only concerned with children of that time who are now big and great adults, we were also concerned about those of you who were yet to come into the world. We knew that only an educated person can play a full and meaningful role in the affairs of society. We did not want to allow children to come into the world and allow them to suffer from ill-health and poverty because of their ignorance. We wanted everybody to be educated because if only a few are educated, the quality of life in society will remain low. In fact, when the majority are uneducated, the few educated people will not be able to live as normally as educated people in more advanced countries of the world. Though it is said that the one-eyed man is king in the country of the blind, we know that when the majority of the people do not see, the eye of a lone star will not suffice at finding the truth and the right way for everybody. So we were and are offering free education so that every man and woman can stand up for himself or herself and find the way for the good of society. In this connection, I am sure that if we did not start the free education scheme twenty-five years ago, many of you would not have been at school today. Beginning with the first year in 1955 when the primary school population increased by 77.7 per cent, the demonstration effect of the scheme, not to talk of the dutiful propaganda with which we promoted its inauguration, has been such that the ignorance and prejudice which used to make our people to prefer sending their children to farms rather than to school have been broken down.

Looking back now it would be correct to say in tune with the philosophy of J.J. Rousseau that we forced our people to be free. Indeed we had the foresight and the courage to be brave against all odds and to start the scheme. We even had to quell riots engineered by political opponents who did not want us to succeed. But this moment I feel exceedingly proud because other parts of the country have had to increase their educational efforts in reaction to our forward leap. In the end, though many have been shying away from making education free, they have admitted by their efforts to catch up with us that, as Winston Churchill once said, the future of the world belongs to the educated races. Thus we can proudly say that our efforts in the old Western Region have been the greatest single prime mover of educational development in Nigeria since Lord Lugard amalgamated the Northern and Southern provinces in 1914. We have every cause to congratulate ourselves.³⁰

In agriculture, for example, studies covering 31 countries concluded that if a farmer

30 An address by Chief Obafemi Awolowo to the Youth of Nigeria on the 25th Anniversary of the introduction of Free Primary Education in Western Nigeria, the area which now constitutes Bendel, Lagos, Ogun, Ondo and Oyo states

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had completed four years of elementary education, his or her productivity was on the average, 8.7% higher than that of a farmer who had no education at all. In industry, it is most evident at the enterprise level, as a series of studies from engineering factories in Bangladesh to car plants in China show that educated workers are more productive. Education also matters in the area of inequality. One study of 49 countries showed that about a fifth of income inequality could be explained by educational inequality. Another factor indicated that an increase in the literacy rate from 10% to 60% has been associated with a 2.8% increase in income share for the poorest 40% of the population. Expanding education impacts more, particularly at lower levels of development. As development proceeds, education does seem to generally have an income levelling effect as well as the promotion of equality. Education promotes economic growth.

A study of 88 countries compared the economic growth rates for the periods 1960-63 and 1970-73 and found that an increase in literacy from 20% to 30% was associated with an increase in real GDP of between 8% and 16%. Another study of 37 middle-income and 29 low-income countries indicated that a 1% difference between their primary enrolment ratios was associated with a 0.035% difference in per capita income growth rates. The poorer countries get much higher rates of returns than richer countries, from investing in education. And for the poorest countries, the highest returns are from primary education. For these countries, the estimated rate of returns for primary education is 26% compared with 17% for secondary education and 13% for higher education. With this in mind, it is fair to ask how Nigeria has fared in the area of education particularly with the legacy of free primary education bequeathed by the late sage Chief Obafemi Awolowo.

Table 2.13 - Education

	Educational		Gross enrolment ratio			Education quality								
	Adult literacy rate	Population with at least secondary education	Primary	Secondary	Tertiary	Mean score			Deviation from mean			Primary school teachers trained to teach	Primary school dropout rate	
						2005-10	2010	2002-11	2002-11	2009	2009			2009
	(% ages 15 and older)	(% ages 25 and older)	%	%	%	Reading	Math	Science	Reading	Math	Science			
	2005-10	2010	2002-11	2002-11	2005-11	2009	2009	2009	2009	2009	2011	2002-11	2005-10	
Very high human development														
12	-	85.4	104.0	97.0	103.9	-	542	546	538	79	89	82	50.5	1.2
18	96.1	75.0	101.8	106.9	71.0	94.3	526	562	542	97	104	104	-	0.9
High human development														
64	93.1	69.4	96.0	68.0	40.2	-	-	-	-	-	-	-	91.4	2.3
85	90.3	49.5	127.0	101.0	36.1	-	412	386	405	94	81	84	53.7	24.3
Medium human development														
119	84.5	75.5	108.0	80.0	7.4	97.4	-	-	-	-	-	-	66.4	13.2
121	92.6	41.4	118.0	77.0	23.1	-	402	371	383	66	70	69	80.1	20
121	88.7	70.4	102.0	94.0	-	87.4	-	-	-	-	-	-	69.3	23
135	67.3	53.8	107.0	58.0	8.8	50.6	-	-	-	-	-	-	57.2	27.8
136	62.8	38.7	118.0	60.0	16.2	-	-	-	-	-	-	-	74.8	34.2
Low human development														
153	61.3	-	83.0	44.0	10.3	66.1	-	-	-	-	-	-	47.4	20.1
Region														
	63	29.7	100.3	40.3	6.2	73.9	-	-	-	-	-	-	52	37.8

Sources: Human Development Report, UNDESA, OECD and Gallup.

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A review of the UNDP educational metrics for 2012 gives some insight into the Nigerian educational structure and the quality of its comparators. Table 2.13 sets out the metrics covering the following:

Adult literacy rate: This is the percentage of the population, ages 15 and above who can, with understanding, both read and write a short simple statement on their everyday life.

Population with at least secondary education: This is the percentage of the population, ages 25 and above that completed at least secondary school education.

Gross enrolment ratio: This is the total enrolment in a given level of education (primary, secondary or tertiary), regardless of age, expressed as a percentage of the official school-age population for the same level of education.

School teachers trained to teach: This is the percentage of primary school teachers that have received the minimum organised teacher training (pre-service or in-service) required for teaching at the primary level.

Performance in reading, mathematics and science: This is the score obtained in the testing of skills and knowledge of 15-year-old students in the subjects essential for participation in society.

Deviation from mean: This is the spread of scores in reading, mathematics and science relative to the average scores.

Satisfaction with education quality: This is the percentage of respondents who answered "satisfied" to the Gallup World Poll question, "Are you satisfied or dissatisfied with the education system?"

Primary school dropout rate: This is the percentage of students from a given cohort that have enrolled in primary school but drop out before reaching the last grade of primary education. It is calculated as 100 minus the survival rate to the last grade of primary education and assumes that observed flow rates remain unchanged throughout the cohort life and that dropouts do not re-enter school.

Nigeria has the lowest literacy rate at 61.3% against 92.6% for Indonesia, 88.7% for South Africa and 84.5% for Botswana. UNDP has no data for Nigeria in the area of educational attainment as it relates to population with at least secondary education which is unfortunate given the potency and usefulness of secondary education in terms of improve-

ment of productivity and standard of living discussed above. This is no data that is difficult to collect. It can be inferred, therefore, that this data may even exist but perhaps because it makes very poor depressing reading, it was considered unreliable. The number of students entering primary school is low at 83% as against that of comparators recording above 100% except Malaysia with 96%. But even that is good news. The bad news is that only 44% transit from primary to secondary school where its comparators record above 60%, 80% and 90% except for Ghana with a score of 58%.

All the segments of leadership ought to be on the lookout for the trends to see how those who will inherit the future of the country are faring.

Nigeria has no data for quality of education but of course as can be seen only 47.4% is satisfied with the quality of education as indicated in Table 2.13. Regarding the quality of secondary school as shown by examination performance, the results of the WASCE May/June 2014 examinations released in mid-August show a high failure rate which has become the norm in recent years. A total of 1,692,435 students sat the examinations nationwide; and of these, there were 929,075 male and 763,360 female students. Addressing the media, the Head of the National Office of WAEC, Mr Charles Eguridu, explained that a total of 529,425 candidates, representing 31.28% obtained credits in five subjects and above, including English Language and Mathematics; this indicated that 70% of the candidates failed. The trend of failures in these examinations has continued to haunt us with their consistency. LEADERSHIP newspaper of Tuesday, 12th of August, 2014, showed that in 2010, we had 75.06% failure, 44.66% in 2011, 61.19% in 2012, and 2013 recorded a failure rate of 35.74%. Year in year out, the blame game begins once the poor results are released. Mr Egeridu attributed the decline in the performance of the students to the parents who he said do not monitor their wards, leaving everything to teachers: "The parents put blames on teachers and government alone while they as parents fail in their own responsibility but rather work from morning till night. Also, the students don't read anymore; rather they play with their phones."³¹ These points that he raised are very true. But it is equally true, that the nation's ruling elite have not woken up to the danger that this trend of failures poses for the future of Nigeria. All the segments of leadership ought to be on the lookout for the trends to see how those who will inherit the future of the country are faring in the examinations that will prepare them for tertiary levels of education and which aids them in projecting for the future in the realm of work and national development.

There is a realization that mass failure reflects a serious national crisis, related to the quality of education; the training of the teachers and quality of instruction; the nature of the curriculum and the preparedness of the student population. These are also related to the overall patterns of national development and the priorities given to education to

31 <http://nigerianpilot.com/mixed-reactions-trail-waec-mass-failure/>

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unlock the potentials of the children for the possibilities of national development. The future of the country is directly related to revolutionary improvements in the public schools system and as such, it is necessary to arrest this rot that facilitates the mass failures in the nation's school system. All – pupils, parents, teachers and government – would need to be better prepared to face the future with enhanced teaching, learning and better performance in examinations instead of trading blames. That is the only way to guarantee a better tomorrow for all.

A review of the educational input is necessary in order to understand why the educational development of Nigeria is this bad. Table 2.14 sets out the following data for the comparator countries:

Public expenditure per student: This is public current and capital spending on education divided by the number of students by level as a percentage of Gross Domestic Product (GDP) per capita.

Public expenditure on education: This is current and capital expenditures on education by local (including municipalities), regional, and national governments as a percentage of GDP and as a percentage of total government expenditure.

Trained teachers in primary education: These are the percentage of primary school teachers who have received the minimum organised teacher training (pre-service or in-service) required for teaching at the specified level of education in their country.

Primary school pupil-teacher ratio: This is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

The share of public expenditure devoted to education shows the priority a government assigns to education relative to other public investments, as well as a government's commitment to investing in human capital development. However, return on investment on education, especially primary and lower secondary school education, cannot be understood simply by comparing current education indicators with national income. It takes a long time before currently enrolled children can productively contribute to the national economy. Nevertheless, again, Nigeria does not have data in this category except for teachers which in itself is not a very reliable metric because the share of trained teachers in primary education reveals a country's commitment to investing in the development of its human capital engaged in teaching, but it does not take into account differences in teachers' experiences and status, teaching methods, teaching materials, and classroom conditions — all factors that affect the quality of teaching and learning. The pupil-teacher ratio reflects the average

number of pupils per teacher. It differs from the average class size because of the different practices which countries employ, such as part-time teachers, school shifts, and multi-grade classes. The compatibility of pupil-teacher ratios across countries is further affected by the definition of teachers and by differences in class size by grade and in the number of hours taught, as well as the different practices mentioned above.

Table 2.14 – Education Input

Education input										
	Public expenditure per student						Public expenditure on education		Trained teachers in primary education	Primary school pupil-teacher ratio
	Primary		% of GDP per capital secondary		Tertiary		% of GDP	% of total govt	% of total	Pupils per teacher
	1999	2010	1999	2010	1999	2010	2010	2010	2010	2010
Botswana	..	..	..	..	..	..	7.8	16.2	..	..
Brazil	10.8	18.5	9.5	19.5	57.2	27.6	5.4	..	..	23
Ghana	17.6			27.2	..	171.7	5.5	24.4	50.6	31
India	11.9			..	95.0	..	..	..	..	..
Indonesia	..			12.9	..	16.8	4.6	26.0	..	16
Nigeria	..	..	..	..	..	..	..	..	66.1	36
Malaysia	12.6	14.6	21.9	20.2	81.6	60.7	5.8	18.9	..	13
Singapore	..	11.5	..	17.5	..	28.7	3.3	10.3	94.3	17
South Africa	14.2	17.6	20	19.8	..	..	6	19.2	87.4	31
South Korea	18.4	19.4	15.7	23.2	8.4	10.1	4.8	15.8	..	22
Sub-saharan Africa	..	..	..	..	..	..	5.0	18.9	..	46

Source: World Development Indicators

As shown above, Nigeria has no data regarding public expenditure on education and that in itself is instructive.

It is recognised worldwide that education is a fundamental human right. In addition, education imparts knowledge and skills which enable people to realize their full potential, and as such it becomes a catalyst for the achievement of other development goals. Education reduces poverty, boosts job opportunities and fosters economic prosperity. It also increases people's chances of living a healthy life, deepening the foundations of democracy, and changing attitudes to protect the environment and empower women. Educating girls and women, in particular, has unmatched transformative power. Besides boosting their chances of getting jobs and staying healthy to participate fully in society,

educating girls and young women has a marked impact on the health of the children and it accelerates the countries' transition to a stable population growth. The 2013/2014 UNESCO report "Teaching and Learning - Achieving Quality for All" grouped Nigeria as one of the 37 countries in the world where learning has deserted schools, especially at the primary level³². At the just-concluded 20th Nigerian Economic Summit in March 2014, which focused on education, the Supervising Minister of Education, Nyesom Wike, spoke in the same light and explained that the Federal Government had injected N7.97 trillion into education between 2009 and 2013. Hitherto, UNESCO's often-cited concern was the 10.5 million out-of-school children in Nigeria, the highest in the world. The Director-General of the global body, Irina Bokova, in the latest report released in January 2014, wrote in the forward, "Access is not the only crisis - poor quality is holding back learning even for those who make it to school."

During the launch of "Education for All, Global Monitoring Report" in Abuja, on January 29, 2014, UNESCO's Director in Nigeria, Hassana Alidou, averred that Nigeria had one of the worst education indicators globally. Since 1999, the Federal Government has been using the Tertiary Education Trust Fund (originally established as Education Trust Fund) and Universal Basic Education Commission as intervention platforms to funnel funds into primary, secondary and tertiary institutions. Yet, the decadence remains unabated - dilapidated classrooms, unqualified teachers and overcrowding in schools. At the tertiary level, the situation is no less embarrassing. Though the country has 128 federal, state and privately-owned universities, the 2012 National Economic Empowerment and Development Strategy (NEEDS) assessment report says only 43% teaching personnel have Ph.D. qualifications - the prerequisite for lecturing at that level. Science faculties have what is derisively called "dry laboratories" as stoves have replaced Bunsen burners, while reagents are not available. Also, the teacher-student ratio is as high as 1:363 at the National Open University of Nigeria; and 1:144 at the Lagos State University, Ojo. When this is contrasted with the ratios of 1:3 at University of Cambridge; and 1:4 at Harvard University, the picture of the quality of teaching and learning in Nigeria's ivory towers becomes too glaring.³³ This must be corrected. Educational architecture in countries such as Finland, Canada, Australia, Singapore, Japan etc., could inspire Nigeria to chart a new course. In these western climes, teaching is given its pride of place and material rewards attract the best brains to the profession. In Finland, which is reputed to have the best system, teaching is the king of careers. There is, therefore, the need for a new beginning for Nigeria, and it must recognise education as the cornerstone of all forms of development. It is said that great jobs increasingly require education steeped in science, technology, engineering and mathematics - a curricula joined together under the acronym STEM. Our

32 <http://unesdoc.unesco.org/images/0022/002256/225660e.pdf>

33 <http://www.punchng.com/editorial/teaching-without-learning-in-nigerian-schools>

education system needs a rigorous reform from the present stifling examination-based curriculum to a broad primary curriculum with the purpose of stimulating children's imagination and fuelling their passion for learning. By all standards, education is that sector that holds the key to national development. It also determines a nation's ability to compete in the global marketplace. However, in Nigeria, it is one of the sectors that has experienced a sharp decline with regards to standards and value. From all that have been said, therefore, it appears that Nigeria needs to declare another war – a war to turn around the educational system. But how many wars will be declared? The Nigerian problem is deeply rooted and structural. These defects require to be comprehensively addressed in order to remove the tap root of the ills that plague the nation. If this is not done, Nigeria will perpetually be at war with itself on all fronts.

Unhealthy bodies, unproductive hands

The effectiveness of a country's health care delivery system is crucial in meeting its health goals. The health sector is plagued by crisis. In 2011, the Federal Government allocated 4% of that year's budget to the health sector. It was then increased to 5% in 2012 and 6.04% in 2013 as against the 15% of the total annual budget recommended by the World Health Organisation (WHO) and the 2001 Abuja declaration of African Heads of Government. The report, which examined innovative healthcare financing options in Nigeria, stated that the ₦279 billion (5.7% of the 2013 total budget) allocation falls well below the internationally recommended minimum healthcare allocation, therefore having a negative impact on the country's healthcare delivery system. The 2013 budget allocation to the healthcare sector, on a per capita basis, comes to ₦1,680 as against a World Health Organisation (WHO) recommendation that governments spend a minimum of ₦6,908 per head, on providing healthcare services to the citizens. An observation expressed in the report is that the gap of ₦5,224 per head at the Federation level is too wide to be filled by autonomous spending from state governments.

The 2013 budgetary allocation to healthcare delivery is even made worse by the fact that ₦77 of every ₦100 allocated to the Ministry, would be spent on paying personnel employed in the sector, leaving just ₦20 of every ₦100 spent for capital expenditure incurred by over 50 Federal Medical Centres and Teaching hospitals across the federation and just ₦3 of every ₦100 budgeted for healthcare to cover overheads incurred. With this structure of allocation, analysts observe that it is not surprising that these medical centres find it difficult to maintain existing facilities or acquire modern medical equipment. This explains the high tendency for political office holders and well to do Nigerians to travel abroad to take care of their healthcare needs, leaving Nigerians who cannot afford to travel abroad to use the poorly equipped and resourced hospitals in Nigeria.

Health systems are the combined arrangements of institutions and actions whose primary

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purpose is to promote, restore, or maintain health (World Health Organisation, World Health Report 2000). These systems are increasingly being recognized as key to combating disease and improving the health status of populations. The World Bank's (2007) *Healthy Development: Strategy for Health, Nutrition, and Population Results* emphasises the need to strengthen health systems, which are weak in many countries, in order to increase the effectiveness of programmes aimed at reducing specific diseases and further reduce morbidity and mortality. To evaluate health systems, the World Health Organisation (WHO) has recommended that key components—such as financing, service delivery, workforce, governance, and information—be monitored using the following key indicators:

Total health expenditure: This is the sum of public and private health expenditure. It covers the provision of health services (preventive and curative), family planning and nutrition activities, and emergency aid for health but excludes provision of water and sanitation.

Public health expenditure: This includes recurrent and capital spending from central and local governments, external borrowing and grants (including donations from international agencies and non-governmental organisations), and social (or compulsory) health insurance funds.

Out-of-pocket health expenditure: This is direct household outlays, including gratuities and in-kind payments, for health practitioners and pharmaceutical suppliers, therapeutic appliances, and other goods and services whose primary intent is to restore or enhance health.

External resources for health: These are funds or services in kind, provided by entities that are not part of the country. The resources may come from international organisations, from other countries through bilateral arrangements, or from foreign non-governmental organisations that are part of public and private health expenditure.

Health expenditure per capita: This is total health expenditure divided by population in U.S. dollars and international dollars, converted using 2005 purchasing power parity (PPP) rates from the World Bank's International Comparison Project.

Physicians: These include generalist and specialist medical practitioners.

Nurses and midwives: They include professional nurses and midwives, auxiliary nurses and midwives, enrolled nurses and midwives, and other personnel, such as dental nurses and primary care nurses.

Community health workers: They include traditional medicine practitioners, faith healers, assistant or community health education workers, community health officers, family health workers, lady health visitors, health extension package workers, community midwives, and traditional birth attendants.

Hospital beds: These are patient beds for both acute and chronic care available in public, private, general and specialised hospitals, and rehabilitation centres.

The key elements of the above have been pulled together and discussed below.

Table 2.15 – Health Systems

Health systems										
	Health expenditure						Health workers			Hospital beds
	Total % of total	Public % of total	out of pocket % of total	external resources % of total	per capita		physicians	per 1000 people nurses and midwives	Community health workers	per 1000 people
					\$	PPPS				
Botswana	8.3	72.5	8.1	18.3	615	1145	0.3	2.8	0.5	1.8
Brazil	9.0	47.0	30.6	0.0	990	1028	1.8	6.4	..	2.4
Ghana	5.2	59.5	26.9	16.9	67	85	0.1	1.0	0.2	0.9
India	4.1	29.2	61.2	1.2	54	132	0.6	1.0	0.0	0.9
Indonesia	2.6	49.1	38.3	1.3	77	112	0.3	2.0	..	0.6
Nigeria	5.1	37.9	59.2	9.2	63	121	0.4	1.6	0.1	..
Malaysia	4.4	55.5	34.2	0.0	368	641	0.9	2.7	..	1.8
Singapore	4.0	36.3	54.0	0.0	1733	2273	1.8	5.9	..	3.1
South Africa	8.9	44.1	16.6	2.2	649	935	..	..	..	2.8
South Korea	6.9	59.0	31.4	0.0	1439	2023	2.0	5.3	..	10.3
Sub-saharan Africa	6.5	45.1	31.8	10.5	84	143	0.2	0.8	..	..

Source: World Development Indicators

As shown in Table 2.15 above, Nigeria has one of the lowest healthcare spends per head, even when compared with country peers in Africa. South Africa spends over ten times what Nigeria spends per capita at \$649 compared to Nigeria's \$63. This compares alarmingly poorly against the \$990 that Brazil spends. Although Nigeria's healthcare spend per capita is similar to what Ghana, India and Indonesia spend, it is still very sub-standard. The position of Nigeria's healthcare spend per head, which the 2012 World Health Statistics report puts at US\$67, is even more insignificant, when compared with that of developed countries. The Singapore healthcare spend per head stands at

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\$1,733, while that of South Korea is US\$1,439. On the other hand, the average healthcare spend per head among countries of the Organisation for Co-operation and Development (OECD) is put at US\$3,600, which makes Nigerian healthcare spend considerably low. As a consequence of the low government spend on healthcare, Nigerians are forced to pay for healthcare delivery directly from their incomes at the point of

Nigeria has one of the lowest healthcare spends per head, even when compared with country peers in Africa. South Africa spends over ten times what Nigeria spends per capita at \$649 compared to Nigeria's \$63.

getting healthcare services. This is shown in the table above. This is a major indicator of the poor state of healthcare delivery in the country. The table shows that "out of pocket expenses" in Nigeria, which accounts for over 59 percent of the total healthcare expenses in the country, is one of the highest "out of pocket expenses" in Africa. For example, out of pocket expense in Ghana is 26.9 %, in South Africa it is just 16.6 %. The danger of high out of pocket expenses is that it could lead to financial ruin, or in some tragic circumstances death, where the patient is unable to afford the immediate cost of healthcare.

As set out in Table 2.16 below, Nigeria has one of the worst healthcare statistics not only in Africa but amongst the comparators under review. An average of 143 children of every 1,000 births die (88 of 1,000 for all infants) before their fifth birthday in Nigeria. No other country is close to these appalling numbers in the comparator countries, confirming that life is less than short and brutish even for a Nigerian born today. In Ghana, the death per 1,000 infants as shown below is 74 and 50 for male and female respectively while in South Africa it is 57 and 41 respectively.

Table 2.16 – Health

	IMMUNIZATION		HIV PREVALENCE, YOUTH		MORTALITY RATES				HEALTH CARE QUALITY					
	DTP	Measles	Underweight kids (moderate & severe)	Female	Male	Infant (under 5)	Adult		Cause-Specific					
							Infant (under 5)	Male	Female	Due to malaria	Due to cholera	Due to cardiovascular diseases & diabetes	Physician (per 1,000 people)	Satisfaction with health care quality
	2010	2010	2006-10	2009	2009	2010	2010	2009	2009	2008	2005-10	2008	2005-11	2007-09
			% of kids under age 5	(% ages 15-24)	(per 1,000 adults)	(deaths per 1,000 live births)	(per 100,000 people per year)	(num-ber)	(per 1,000 people)	% satisfied				
HDI rank														
Very high human development														
12	96.0	98.0	-	0.1	0.1	4	5	46	109	0	0	141	2	60
18	98.0	95.0	-	0.1	0.1	2	3	42	76	0	-	140	1.8	86
High human development														
64	98.0	96.0	12.9	0.1	0.1	5	6	95	175	0.1	2	278	0.9	89
85	99.0	99.0	1.7	-	-	17	19	102	205	0.1	0	264	1.7	44
Medium human development														
119	98.0	94.0	11.2	11.8	5.2	36	48	324	372	1	0	346	0.3	72
121	94.0	89.0	18.4	0.1	0.1	27	35	143	234	3.2	19	350	0.3	79
121	73.0	65.0	8.7	13.6	4.5	41	57	479	521	0.2	28	321	0.8	63
135	96.0	98.0	13.9	1.3	0.5	50	74	253	402	48	51	386	0.1	74
136	83.0	74.0	42.5	0.1	0.1	48	63	169	250	1.9	6	336	0.6	67
Low human development														
152	77.0	71.0	28.1	2.9	1.2	88	143	365	377	146	174	466	0.4	55
Region	84	75	21.2	-	-	76	120	355	430	98.1	86	447	0.2	-
	Sub-Saharan Africa													

SOURCE: Human Development Report, WHO, UNICEF, UNDESA and Gallup.

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Other health parameters contained in the table are explained below:

Immunisation coverage for DTP: This is the percentage of one-year-olds who have received three doses of the combined diphtheria, tetanus toxoid and pertussis (DTP) vaccine.

Immunisation coverage for measles: This is the percentage of one-year-olds who have received at least one dose of a measles vaccine.

Underweight children: This is the percentage of children under age five falling to standard deviations or more below the median weight-for-age of the reference population.

HIV prevalence: This is the percentage of the population ages 15–24 that are infected with HIV.

Infant mortality rate: This is the probability of dying between birth and exactly age one, expressed per 1,000 live births.

Under-five mortality rate: This is the probability of dying between birth and exactly age five, expressed per 1,000 live births.

Adult mortality rate: This is the probability that a 15-year-old person will die before reaching age 60, expressed per 1,000 adults.

Cause-specific deaths: These are deaths attributable to a certain disease or cause.

Physicians: This shows the number of physicians (both generalists and specialists), expressed per 1,000 people.

Satisfaction with healthcare quality: This is the percentage of respondents who answered “yes” to the Gallup World Poll question, “In this country, do you have confidence in the healthcare or medical systems. Also bear in mind that Nigeria also has one of the worst life expectancy rates for adult survivors of early childhood death. The average Nigerian has a life expectancy of just 54 years in 2013, just about the average in Africa, and below the figure of 65 years for Ghana.

Table 2.17 – Health Risk Factors & Future Challenges

Health Risk Factors & Future Challenges													
	Prevalence of smoking		Incidence of TB	Prevalence of diabetes	Prevalence of HIV					Hospital beds	Cause of death (% of population)		
	% of total				% of population ages 20 - 79	total % of population ages 15 - 49	female % of total population with HIV	youth % of population ages 15 - 24	female % population with advanced HIV infection		Communicable diseases & maternal, paternal & nutrition condition	Non-communicable diseases	Injuries
	M	F	2009	2009						2010			
Botswana	22	13	503	11.1	3.5	24.8	57	5.2	11.8	83	60	31	9
Brazil	11	3	43	10.4	..	..	..	..	..	60	14	74	12
Ghana	26	4	86	5.1	0.3	1.8	59	0.5	1.3	24	53	39	8
India	61	5	185	9.2	0.1	0.3	39	0.1	0.1	..	37	53	10
Indonesia	10	3	189	5.2	<0.1	0.2	30	0.1	<0.1	21	28	64	9
Nigeria	10	3	133	4.9	1.3	3.6	59	1.2	2.9	21	68	7	5
Malaysia	50	2	82	12.3	0.1	0.5	11	0.1	<0.1	23	24	67	9
Singapore	35	6	35	9.8	<0.1	0.1	30	<0.1	<0.1	..	16	79	5
South Africa	24	8	981	7.1	0.7	17.8	62	4.5	13.6	37	67	29	5
South Korea	49	7	97	7.7	<0.1	<0.1	31	<0.1	<0.1	..	6	82	12
Sub-saharan Africa	16	3	271	46	2.4	5.5	58	1.5	3.8	..	65	28	7

Source: World Development Indicators

Table 2.17 shows that there are many scourges that still militate against the good health of the Nigerian, ranging from tuberculosis, HIV etc. they are better explained below:

- **Prevalence of smoking:** This is the percentage of the population ages 15 and older who smoke any tobacco products. It includes daily and non-daily smoking. Estimates are adjusted and age-standardised prevalence.
- **Incidence of tuberculosis:** This is the number of new and relapse cases of tuberculosis (all types) per 100,000 people.
- **Prevalence of diabetes:** This is the percentage of people ages 20–79 that have type 1 or type 2 diabetes.

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- **Prevalence of HIV:** This percentage of people are infected with HIV. Total per cent of growth rate and youth rates are percentages of the relevant age group. Female rate is as a percentage of the total population living with HIV.
 - **Anti-viral therapy coverage:** This percentage of adults and children have advanced HIV infection and are currently receiving anti-viral therapy according to nationally approved treatment protocols (or WHO/UNAIDS standards) among the estimated number of people with advanced HIV infection.
 - **Cause of death:** This is the share of all deaths due to the specified underlying cause.
 - **Communicable diseases and maternal, pre-natal, and nutrition conditions:** This covers infectious and parasitic diseases, respiratory infections, and nutritional deficiencies such as underweight and stunting.
 - **Non-communicable diseases:** These are diseases like cancer, diabetes mellitus, and cardiovascular diseases, digestive diseases, skin diseases, musculoskeletal diseases.
- As Table 2.17 shows, the Nigerian health system is plagued in so many ways.

Visits to healthcare facilities give a clear picture of the inadequate and inequitable distribution of medical doctors in the country. It is clear that Nigeria has not met the World Health Organisation (WHO) prescription of one doctor to 600 patients. Also, while it is easy to find specialised doctors in the urban areas, only community health workers, nurse aids or perhaps pharmacy assistants can be found in rural areas. A report published by the Nigerian Medical Association (NMA) shows that, there are over 3,500 Nigerian trained physicians actively practicing in the United Kingdom. "Many more are in the United States of America and other nations of the world, and several are still leaving Nigeria on a daily basis. This is partly due to the unavailability of functional equipment/tools in the workplace, unhealthy competition in the health sector as well as a not-too-conducive work environment. It is distressing to note that major healthcare deliverers have downed their tools twice in 2013. An example is the National Association of Resident Doctors, who gave up their tools and shunned work for almost two months as a result of the fallout of the Integrated Personnel Payroll Information System (IPPIS) which was introduced to government owned hospitals.

The Nigerian Medical Association in December 2013 directed all doctors in government institutions to embark on a nationwide strike. They embarked on the strike to press their grievances towards the neglect of their requests, bothering on workplace affairs and the injustice meted out to doctors in their conditions of service. Also in the areas of funding, infrastructure and equipment, upgrade of the health sector etc., the doctors expressed that they had not received any significant attention from the government.³⁴ Nigerian

34 <http://saharareporters.com/news-page/doctors-threaten-total-close-down-hospitals-january-6-2014>

doctors again embarked on an indefinite strike on 1st July, 2014. The President, Goodluck Jonathan, ordered the sack of all 16,000 strong resident doctors in Nigerian hospitals in a directive to the Federal Ministry of Health ordering the suspension of all residency training programme for Nigerian doctors. The directive was contained in an internal memo dated 13th August and signed by the Permanent Secretary, Federal Ministry of Health, L.N. Awute, to federal hospitals.³⁵

At the targeted year for the Millennium Development Goals (MDGs), Nigeria lags behind in achieving its set out goals. Statistics show that Nigeria loses N78bn (\$500m) annually to medical trips abroad. Earlier in 2014, Enabulele said, “We lose at least \$500m every year to patients travelling abroad for treatment. India makes \$260m from Nigerian patients annually. It is estimated that in 2014 alone, India would gain between \$1bn and \$2bn from medical tourism. Our patients are part of the people that make that sector boom. Something must be done. These figures should provoke some actions from our government.”³⁶

Break the cycle, free the people

As the discourse on the low human development index and the stupendous challenge that faces the Nigerian nation in generally improving the nation closes out, it is relevant to wrap up the discussion by, again, drawing from the words of wisdom of the late visionary leader, Chief Obafemi Awolowo. This time, it is a sip from his speech titled: “The Rich and the Highly Placed are Running a Dreadful Risk in Their Callous Neglect for the Poor and the Down-Trodden”.³⁷

Let me take the liberty to quote the late sage again, Jacob Viner, who is a world-acclaimed development economist. He has this to say in the book *The Progress of Underdeveloped Areas* edited by B.F. Hoselitz: “It must be recognised that the objective of development should not only be to raise the level of per capita real income but also to reduce the absolute number of individuals and the percentage of total population below a minimum level of real income”. Judged in the light of these development criteria and years rolled by, Nigeria is getting worse rather than getting better. For sure the per capita real income is rising slowly but the percentage

“It must be recognised that the objective of development should not only be to raise the level of per capita real income but also to reduce the absolute number of individuals and the percentage of total population below a minimum level of real income”.

35 <https://www.premiumtimesng.com/news/166732-shocking-jonathan-sacks-16000-resident-doctors-in-nigeria.html#sthash.FC4xpmf8.dpuf>

36 <http://www.punchng.com/health/foreign-medical-trip-how-nigeria-loses-n78bn-annually/>

37 Address delivered by Chief Obafemi Awolowo to Ondo State House of Assemble in Akure on Friday, 18th January 1980

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of our total population below the level of minimum living income is increasing daily and rapidly. We can now see quite clearly that the objectives of development are to raise the level of per capita real income and to increase the absolute number of individuals and the percentage of our total population. Who can afford to live above a minimum level of real income and thereby enjoy better nourishment, better health, better education, better living conditions, and an expanded range of opportunities in work and leisure? It is obvious that these are the objectives which the Ondo State Government like the former UPN governments is striving conscientiously to achieve. Nigerian leaders of whatever political camp must be under no illusion that in order to achieve these objectives (there is an alternative solution except that) we must pull Nigeria out of the morass of underdevelopment and develop the country. The next question then is, what constitutes the morass of underdevelopment?

The constituent elements and the characteristics are:-

1. Ignorance
2. Illiteracy
3. Disease
4. Calorie deficiency
5. Dependence on subsistence agriculture and excessive under-employment of the rural population;
6. Deficiency in techniques, organisation and capital.

All these can easily be translated into three kinds of underdevelopment namely:

1. Underdevelopment of the mind, arising from ignorance, illiteracy and deficiency in techniques and organisation.
2. Underdevelopment of the body arising from disease, deficiency, bad water, bad housing, meagre clothing and filthy environment.
3. Underdevelopment of the rural population, arising from underdevelopment of the mind and body and lack of savings and capital formation.

From the foregoing, the solutions to Nigeria's underdevelopment problems are clear. They consist in every Nigerian man or woman, child or adolescent. The full development of a Nigerian or of any man for that matter must proceed on two fronts simultaneously – the full development of his body and the full development of his mind. For the development of his body, every man needs suitable and adequate food, suitable and adequate shelter, and suitable and adequate clothing. To procure food, shelter and clothing in suitable forms and in adequate quantum he must be in possession of commensurate purchasing power. It has been established that a country is poor and underdeveloped because it is underdeveloped.

This proposition can be put in many variant forms all of which are equally true. It can be said that a country is poor because its people are poor; it is poor because its people are underdeveloped in body and mind and its people are poor because they suffer from ignorance, undernourishment, calorie deficiency and disease, and so on and so forth. In short, a man is unable to enjoy the good things of life because he does not enjoy the good things of life. That is to say that he must enjoy the good things of life in order to attain what we have already identified as development objectives which are the good things of life. But he cannot get the good things of life without money. This, the vast majority of our people do not have. It is for this reason that a reasonable national minimum living wage or income becomes an urgent desideratum”.

Table 2.17 summarises the state of social integration, pulling together employment vulnerability, loss in HDI as a result of inequality, perception of individual well-being etc. In specific terms the following indicators were used in this table:

Employment to population ratio: This is the percentage of the population ages 25 years or older that is employed.

Youth unemployment: This is the percentage of the labour force population ages 15–24 that is not in paid employment or self-employed but is available for work and has taken steps to seek paid employment or self-employment.

Child labour: This is the percentage of children ages 5–11 who, during the reference week, did at least one hour of economic activity or at least 28 hours of household chores, or children ages 12–14 who, during the reference week, did at least 14 hours of economic activity or at least 28 hours of household chores.

Overall loss in Human Development Index (HDI) due to inequality: This is the loss in potential human development due to inequality, calculated as the percentage difference between the HDI and Inequality-adjusted HDI.

The metrics cumulatively show very poor integration, suggesting that Nigeria has achieved nothing.

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Table 2.18 – Social Integration

		Employment, vulnerability and equity			Perceptions of individual well-being			Perceptions of society			
		Employment to population ratio	Youth unemployment	Child	Overall loss in Human Development Index due to inequality	Overall life satisfaction	Satisfaction with freedom of choice	Satisfaction with job	Trust in people	Satisfaction with community	Trust in national government
		(% ages 25 and older)	(% ages 15 - 24)	(% ages 5 - 14)							
HDI rank		2011	2005-2011	2001-2010	2012	2007-2011	2007-2011	2007-2011	2011	2007-2011	2007-2011
Very high human development											
12	Korea, Republic of	64.8	12.1	--	16.5	6.9	66.0	71.1	26.0	78.5	28.0
18	Singapore	69.2	6.7	--	--	6.5	82.0	86.5	33.0	92.9	83.0
High human development											
64	Malaysia	66.6	11.3	--	--	5.8	79.0	85.6	14.0	87.3	79.0
85	Brazil	68.2	23.1	3.0	27.2	6.8	80.0	81.3	15.0	78.5	51.0
Medium human development											
119	Botswana	73.8	--	9.0	--	3.6	82.0	45.9	9.0	56.5	74.0
121	Indonesia	70.1	23.0	7.0	18.3	5.2	86.0	74.1	21.0	92.3	74.0
121	South Africa	49.6	55.0	--	--	4.7	84.0	56.5	17.0	62.0	63.0
135	Ghana	81.3	--	34.0	32.2	5.6	85.0	63.8	19.0	68.9	68.0
136	India	61.0	11.5	12.0	29.3	4.6	80.0	71.2	20.0	82.6	58.0
Low human development											
153	Nigeria	61.7	--	29.0	41.4	4.8	77.0	58.6	13	67.4	55
Region											
	Sub-Saharan Africa	74.5	--	33.5	35	4.4	69.1	56.2	--	65.2	53.6

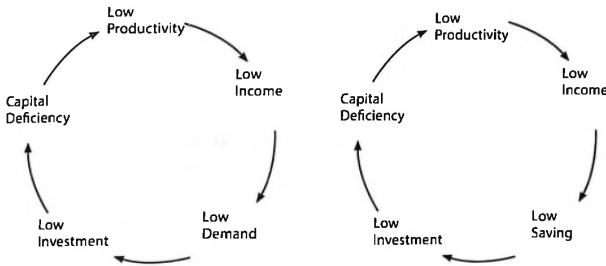
Source: Development Report, ILO, UNODC, UNICEF, WHO and Gallup

What Chief Obafemi Awolowo referred to earlier is the circular relationships known as the 'vicious circles of poverty' that tend to perpetuate the low level of development in a country like Nigeria. Ragner Nurkse explains the idea in these words: "It implies a circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty. For example, a poor man may not have enough to eat; being underfed, his health may be weak; being physically weak, his working capacity is low, which means that he is poor which in turn means that he will not have

enough to eat; and so on. A situation of this sort, relating to a country as a whole, can be summed up in the trite proposition.³⁸ It all adds to the very simple fact that a country is poor because it is poor and it is trapped in that same poverty.

The basic vicious circle stems from the fact that a country's total productivity is low due to deficiency of capital, market imperfection, economic backwardness and under-development. However, the vicious circle operates both on the demand side and the supply side. The demand side of the vicious circle is that the low level of real income leads to a low level of demand which, in turn, leads to a low rate of investment and hence back to deficiency of capital, low productivity and low income. This is shown in Fig. 2.2. Low productivity is reflected in low real income. The low level of real income means low savings. The low level of savings leads to low investment and to deficiency of capital. The deficiency of capital, in turn, leads to low level of productivity and back to low income. Thus, the vicious circle is complete from the supply side. It is depicted in Fig. 2.2 The low level of real income, reflecting low investment and capital deficiency is a common feature of both vicious circles.

Figure 2.2 - Vicious Circle of Productivity Arising From Low Income



A third vicious circle represents underdeveloped human and natural resources. The development of natural resources is dependent upon the productive capacity of the people in the country. If the people are backward and illiterate, lacking in technical skill, knowledge and entrepreneurial activity, the natural resources will tend to remain “un-utilised”, underutilised or even “mis-utilised”. On the other hand, people are economically backward in a country due to underdeveloped natural resources. Underdeveloped natural resources are, therefore, both a consequence and cause of the backwardness of people. This is explained below.

38 Ragner Nurske. Principles of capital formation in under- developed countries

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Figure 2.3 - Vicious Circle of Productivity arising from Market Imperfections



Poverty and underdevelopment of the economy are thus synonymous. A country is poor because it is underdeveloped. A country is underdeveloped because it is poor and remains underdeveloped as it has not the necessary resources for promoting development. Poverty is a curse but it is a greater curse when it is self-inflicted.

The most pertinent obstacle to economic development is the shortage of capital. This stems from the vicious circles of poverty analysed above. Poverty is both a cause and a consequence of a country's low rate of capital formation. In an underdeveloped country, the masses are poverty-ridden. They are mostly illiterate and unskilled. They use outmoded capital equipment and methods of production. They practice subsistence farming, lack mobility and have little connection with the market sector of the economy. Their marginal productivity is extremely low. Low productivity leads to low real income, low savings; low investment and a low rate of capital formation. The consumption level is already so low that it is difficult to restrict it further to increase the capital stock. That is why millions of farmers in such countries use outmoded and obsolete capital equipment. It is the high income group that does most of the savings in underdeveloped countries. But these savings do not flow into productive channels. On the other hand, they are dissipated into real estate, foreign or domestic currency, money lending and speculation. Thus 'value-retaining' objects and durable consumer goods dominate their expenditure pattern. In addition, conspicuous consumption plays an important part in their consumption patterns. Consequently, they prefer prestigious high value purchase, usually imported, that add little or no value to national life.

Other reasons for the lack of incentives to save and invest in Nigeria include poor maintenance of law and order, unsettled monetary conditions, lack of continuity in economic life, the extended family system with its drain on resources, and its stifling of personal initiative. The other reasons which inhibit investment are, firstly, sheer habits that discourage risks particularly on new ventures. The second reason is the limited size of the domestic market. The capacity of the domestic market to absorb new supplies of commodities is limited due to the low purchasing power of the masses.

Thirdly, there are difficulties in securing funds for investment purposes. Many manufacturing activities require large capital-outlays which are difficult to obtain, due to lack of well-developed capital and stock markets as well as credit and banking systems. Fourthly, the lack of skilled labour and factor mobility enhance the cost of production and thereby hamper potential investors. In addition, absence or inadequacy of basic services like transportation, power and water-supply, etc., further reduce the interest in investment and increase the cost of doing business. Lastly, the entrepreneurial ability is extensively limited. Whatever little entrepreneurship that is available is scared away by high risks involved in the investment. Most start-ups, small and medium businesses fold up within a year because of lack of access to specialist advice and support.

In between the low and high income groups, there is a small middle income group. It is mostly engaged in well-established and less risky ventures, such as providing marketing and other services. This group, though not lacking in entrepreneurial ability, is reluctant to invest in manufacturing industries because of the difficulty in obtaining institutional and corporate finance, lack of advanced technology, trained labour and management.

In spite of all that has been said above, sustainable development is what needs to be practiced if Nigeria must get out of the hole that it has dug for itself. Sustainable development is meeting the needs of the present generation without compromising the needs of future generations. It means that development should "keep going". It emphasises the creation of sustainable improvement in the quality of life of all people through increase in real income per capita, improvements in education, health and general quality of life and improvements in quality of natural environmental resources. Thus, sustainable development is closely linked to economic development. It is a situation in which economic development does not decrease over time. Sustainable development is development that is everlasting and contributes to the quality of life through improvements in natural environments. Natural environments, in turn, supply utility to individuals, inputs to the economic process and services that support life. As pointed out by Pearce and Warford, "Sustainable development describes a process in which natural resource base is not allowed to deteriorate. It emphasises the hitherto unappreciated role of environmental quality and environmental inputs in the process of raising real income and the quality of life."

Further, sustainable development aims at maximising the net benefits of economic development, subject to maintaining the stock of all environmental and natural resource assets (physical, human and natural) over time. Sustainable development aims at accelerating economic development in order to conserve and enhance the stock of environmental, human and physical capital without making future generations worse off. Government must make concerted efforts to pursue sustainable development. Such efforts must include (a) the introduction of such development projects that should be established to provide

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greater employment opportunities to the poor. The government should intensify health and family planning services to educate the poor in order to aid reduction in population growth. Further, making investments in providing civic amenities like the supply of drinking

Nigeria's recent experience shows that a substantial part of the national budget is wasted on kerosene, petrol and electricity subsidies that do not benefit the targeted audience. It also encourages misallocation of resources and acts as drain pipes used to fill private pockets.

water, sanitation facilities etc. will not only improve welfare but also the environment. (b) Subsidies for resource use by the private and public sectors should be removed. Nigeria's recent experience shows that a substantial part of the national budget is wasted on kerosene, petrol and electricity subsidies that do not benefit the targeted audience. It also encourages misallocation of resources and acts as drain pipes used to fill private pockets. Government should cultivate the political will to remove all the nebulous subsidies. Nigerians are not likely to resist the withdrawal of subsidies if the accruing sum is judiciously used and applied for their common good.

In the final analysis, the motivating factors of human development are beyond the formation of human capabilities, such as improved health or knowledge. It also has to do with the use of these capabilities, be it for work, leisure or political and cultural activities. And if the scales of human development fail to balance the formation and use of human capabilities, much human potential will be frustrated.

Some have argued that the human development focus is on the distribution of wealth, not with its creation. This view is sustained by the fact that the concept of human development emphasises investment in people, in basic health and nutrition, to mention a few. But this is a form of investment, not just a means of distributing income. Healthy and educated people can through productive employment contribute more to economic growth. Human development offers a much broader and more inclusive perspective. It demonstrates that economic growth is vital: no society has in the long run been able to sustain the welfare of its people without continuous injections of economic growth. But growth on its own is not sufficient. It has to be translated into improvements in people's lives. Economic growth is not the end of human development. It is one important means. Thus, human development and economic growth are closely connected. People contribute to growth, and growth contributes to human well-being. The emphasis human development places on human capabilities has also led some people to believe that human development is limited to social sectors, such as health or education. These investments in people are vital, but they are only one part of the picture. Human development is not limited to any specific sector. It does not focus on social issues at the expense of economic issues. It stresses the need to develop human

capabilities. It is equally concerned with how those capabilities are used by people who can participate freely in social, political and economic decision-making and who can work productively and creatively for development.

To be truly happy

Forbes using a model created by Bhutan's Gross National Happiness Commission to generate a Bhutan's GNH Index, which uses economic, social, and environmental indicators to measure happiness, reported that Nigeria is the 20th saddest country in the world.³⁹ Other related centres that have attempted to measure happiness of nations are polls by Gallup and Researchers at the University of Michigan. One of two measures of happiness used by the Michigan researchers corroborated the earlier finding by European researchers that Nigerians are the happiest people in the world. The second measure finds that Nigeria ranks 19th happiest. The Gallop poll places Nigeria as the 27th happiest country. In this poll, Latin American countries dominate the top and the European and North American countries that aggregate atop the Forbes list, fall to the midrange of Gallop's ranking. This contradiction has prompted commentators like Manibere Iberema to ask "Is Nigeria the saddest or happiest country in the world?"⁴⁰ It is consoling to hear that a country that suffers so much pain is one of the happiest countries in the world. Such an irony can only be made possible by the theory of relative deprivation extensively discussed in Malcolm Gladwell's *David and Goliath*. This theory literally explains that if people in a given society are generally equally deprived, such a people will find happiness in their deprivation. While this sounds like an Hobbesian choice, it is absolutely difficult to find happiness in poverty, in ill-health, in illiteracy and all the other deprivations that the Human Development report has lucidly shown that Nigerians suffer from.

In order to create an international action for change in national human development index and to build on the United Nations global conferences of the 1990s, the United Nations Millennium Declaration of 2000 marked a strong commitment to the right to development, to peace and security, to gender equality, to the eradication of the many dimensions of poverty and to sustainable human development. Embedded in that Declaration, which was adopted by 147 Heads of State and 189 states, were what have become known as the eight Millennium Development Goals (MDGs), including 18 time-bound targets to be met by member nations by 2015.⁴¹

39 http://unsdsn.org/wp-content/uploads/2014/02/WorldHappinessReport2013_online.pdf

40 is-nigeria-the-happiest-or-saddest-country.mht

41 <http://mdgs.un.org/UNSD/MDG/Resources/Attach/Indicators/HandbookEnglish.pdf>

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The individual goals are to:

- Eradicate extreme poverty and hunger.
- Achieve universal primary education.
- Promote gender equality and empower women.
- Reduce child mortality.
- Improve maternal health.
- Combat HIV/AIDS, malaria and other diseases.
- Ensure environmental sustainability.
- Develop a global partnership for development.

To monitor progress towards these goals and targets, the United Nations system, including the World Bank and the International Monetary Fund, as well as the Development Assistance Committee of the Organisation for Economic Cooperation and Development, came together under the Office of the Secretary-General and agreed on 48 quantitative indicators. The indicators built upon an inter-governmental process to identify relevant indicators in response to global conferences. The goals and targets are set out in Appendix A.

Five main criteria guided the selection of the indicators, which should:

- Provide relevant and robust measures of progress towards the targets of the Millennium Development Goals
- Be clear and straightforward to interpret and provide a basis for international comparison
- Be broadly consistent with other global lists and avoid imposing an unnecessary burden on country teams, Governments and other partners
- Be based to the greatest extent possible on international standards, recommendations and best practices
- Be constructed from well-established data sources, be quantifiable and be consistent to enable measurement over time.

It was also agreed that country data should be used for compiling the indicators where such data are available and of reasonable quality. The data source for each indicator and the quantitative value of the indicator should be decided by consensus among the key stakeholders, especially the national statistical system. The national statistical system should own the data and related indicators. They are also to ensure that the data generated is credible and verifiable.

Table 2.19 – Nigeria Millennium Development Goals

	MDG Target		Base data	Last available data		2015 Project	
			Rate	Year	Rate		Year
1.1	Extreme poverty	%	60	2000	54.4	2004	48.7
1.8	Prevalence of underweight children below five year age	%	35.7	1990	23.1	2008	
2.A	Boys/girls complete primary schooling						
	- net enrolment	%	68	2000	88.8	2008	
	- those who reach Primary 5	%	97	2000	72.3	2008	
	- complete Primary 6				67.5	2007	
	- literacy rate 15-24 year old (women & men)	%	64.1	2000	80	2008	87.0
4.A	Reduce mortality						
	- under 5 mortality(per 1000 births)		191	1990	157	2008	63.7
	- infant (per 1000 births)	%	91	1990	75	2008	30.3
	- % one year old fully immunised		46	1990	74.3	2009	100.0
5.0	Improve material health						
	- maternal mortality (100 000 births)		1000	1990	545	2009	250
	- proportion attended by skilled health personal	%	45	1990	38.9	2009	100

Compiled by: Project Hope. Source: Nigeria Millennium Development Goals 2013 Report

There are two striking issues in the Nigerian 2013 MDG progress report, Firstly, there are many areas where data has not been reported and are simply marked “N/A”. It is very difficult to measure progress without data and if you cannot measure success or progress, you cannot reward it or improve on it in which case you are probably rewarding failure and mediocrity. As has been amply explained earlier, if you cannot see success or failure, you cannot learn from it and entities, including nations, make progress through the conscientious implementation of lessons learned. Besides, it is absolutely impossible to make plans without data. These twin shortcomings significantly compound the Nigerian challenges. Secondly, it is clear that Nigeria is going to miss some of these key human development and sustainable development targets. As the 2013 report makes clear, “progress towards the respective MDGs has been mixed – while Nigeria is on track on some MDGs, she lags behind in others. Looking at 2015 and beyond, priority should be given to sustaining progress towards the MDGs, accelerating activities on those MDGs which are lagging and considering priorities and options for post- 2015. Bottlenecks have included wide sub-national disparities in achievement, data inadequacies and programme implementation obstacles among others. Poverty (and unemployment) remains an overarching developmental challenge. However, increased policy attention towards inclusive growth with a focus on agriculture and the informal sector, coupled with targeted initiatives, give hope for progressive reductions in unemployment and poverty.”⁴²

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Reducing poverty and hunger remains a key development challenge in Nigeria. Sustainable growth is critical for poverty reduction. Broad-based growth that creates jobs has great potential to reduce poverty. But the improvement in growth in Nigeria over the past half a decade has not brought about the desired reduction in poverty.

Steps should therefore be taken to improve the socio-economic well-being of the average Nigerian so that he can also begin to enjoy the good things of life. The consolation that a majority of the people are in the same boat cannot be an excuse for the continuation of the parlous state we are in. So, what should be done? It is important that the economy is made to grow at a higher rate as well as ensure a more balanced and equitable share out of the national wealth. Beyond the basic concerns of human survival, there should be investment in all levels of human capital formation, particularly in technical and managerial skills. Except greater control over the expanding "knowledge industry" is acquired, the country will continue to languish in the backwaters of low value-added production. The first step is to strive to focus and achieve the following:

- Set essential human development goals to be attained by the year 2015. These goals should include universal basic education for men and women, primary health care and safe water for all, the elimination of serious malnutrition, and at least 80% access to family planning. Efforts should be made not only to achieve the MDGs but to surpass them.
- Create massive employment programmes: Government has to create sufficient job opportunities to absorb the new additions to the labour force and reduce absolute poverty by at least 50% by 2015.
- Growth rate to be accelerated significantly to implement the foregoing objectives.

Nigeria, as a developing country should adopt improved policies of national governance to make them fully responsive to the needs of the people. This might include a more open government, based on respect for human rights and on wide participation, both in political life and in development planning. Public administration should run with greater transparency and accountability and public policy should provide a framework, combining private initiative, energetic entrepreneurship and the efficient functioning of national and international markets with well-defined policies and targets for human development.

What is required is a people-centred development focused on citizens' needs and their

Public policy should provide a framework, combining private initiative, energetic entrepreneurship and the efficient functioning of national and international markets with well-defined policies and targets for human development.

potentials. Human development spans the full range of human needs and ambition. Human development concerns all activities, from production processes through institutional changes to policy dialogues. It is development focused on people and their well-being. It is con-

cerned with the generation of economic growth as with its distribution. It is also concerned with basic needs as with the spectrum of human aspirations, meaning that a significant proportion of national income should be committed as priority to human expenditure.

- It is important that a developing country is able to grow its economy and distribute the resultant growth equitably. In general, the minimum requirements for achieving sustainable development include:
- The elimination of poverty.
- A reduction in population growth.
- More equitable distribution of resources.
- Healthier, more educated and better trained people.
- Decentralised, more participatory government.
- More equitable liberal trading systems within and among countries, including increased production for local consumption.

Mere bragging rights

As this chapter was being rounded off, Nigeria released its rebased Gross Domestic Product numbers in April, 2014. This exercise, which is usually carried out on a regular basis by other countries, had been delayed for more than 24 years. Rebasing is defined by the United Nations as the “process of replacing present price structure (base year) to compile volume measures of GDP with a new or more recent base year.”⁴³ The rebasing was first mooted in 2000 but was delayed for strategic reasons by the Paris Club and multilateral agencies’ debt relief negotiations. The reason being that a revised GDP for the country would have pushed the economy into the category of the medium income economies, which would have made the country forfeit its eligibility for access to aid and grants from international organisations such as the International Monetary Fund (IMF) and the African Development Bank (AFDB). From 1993, the new base year for arriving at new rebased nominal GDP was 2010 and it applied the latest system of national accounts in 2008. It also applied the international standard of industrial classification 4.0 from the previous 3.1 whilst the list of activities captured under the new standard increased to 46 from 33 previously. With the rebased numbers, Nigeria’s nominal Gross Domestic Product (GDP), was raised to \$509.9 billion from \$285.56 billion thus making her, Africa’s biggest economy and the 26th largest economy in the world while becoming 128th in terms of GDP per capita. South Africa with a GDP of \$384.3 billion was reduced to the continent’s second largest economy from its previous leading position.

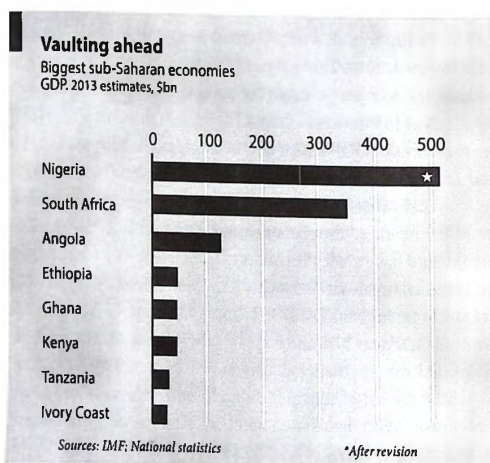
The 2010 rebased nominal GDP represented an increase of 59.9% using the old base year

43 www.allthingsnigeria.com/2014/rebasing-of-nigeria-gross-domestic-product

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and 69.10% in 2011, as well as an increase of 75.58% in 2012 and a projected 89.22% growth in 2013. The rebasing further showed a marked change in the structure of the country's GDP. The revised figure indicated that the services sector, which comprises financial institutions, information and communications, real estate, professional, scientific and technical services, and trade, contribute about 52% of total GDP, with industry coming a distant second at 25.7%. They are followed by agriculture (22%), telecommunications (8.69%), manufacturing (6.83%), and entertainment (1.42%), which was not captured in the past. The old base excluded sectors, including telecommunications and information services, publishing, motion picture, sound recording, music production and broadcasting, which were accommodated in the latest results. Other sectors, which had also been captured in the rebasing exercise were arts, entertainment and recreation, financial institutions and insurance, real estate, professional, scientific and technical services, administrative and support services, public administration, education, human health, social services and other services. The GDP growth following the rebasing exercise was estimated at 5.09% in 2011; 6.66% in 2012 and a projected 7.41% in 2013.

Chart 2.3 GDP 2013 estimates



The key benefits of the rebasing exercise are that its results enable policy makers and analysts to obtain a more accurate set of economic statistics that are a true reflection of current realities for evidence-based decision-making. Rebasing also reveals a more accurate estimate of the size and structure of the economy by incorporating new activities, which were not previously captured in the computational framework. However, it reveals the underbelly of the Nigeria economy in three respects. Firstly, if the economy can do

as well as this, given the impediments and bottlenecks, it should be clearer to all that the potentials of the country are extensive and that the current performance is just scratching the surface. If the economy could be unshackled and the political space is further opened in a way as to enhance economic and political freedom – topics which are covered in this book - the result would amaze the greatest sceptics. Secondly, the government will come under increasing pressure to explain where all these goodies, emanating from the economic growth have gone. The GDP seems to an accountant like the source of funds. It is interesting to evaluate how those funds have been applied. While it is agreed that it is not exactly like that, it is nevertheless posited that the government's public expenditure management system is faulty.

If the economy can do as well as this, given the impediments and bottlenecks, it should be clearer to all that the potentials of the country are extensive and that the current performance is just scratching the surface.

Nigeria, the most populous country in Africa, living up to its name and size as it did in 2013, produced many firsts: the largest economy in Africa, the richest man and woman in Africa, and is one of the countries with the highest number of people living below the poverty line. Of course, effective and efficient Public Expenditure Management (PEM) in the broader context is the key role of the state along with good governance, macro-economic policy, and the changing environment (especially in information and communication technology). Another key role of the state is budget preparation, which should be a financial mirror of the society's economic and social choices. In order to perform the roles assigned to it by its people, the state needs, among other things, to: (i) collect resources from the economy, in a sufficient and appropriate manner; and (ii) allocate and use those resources responsibly, efficiently and effectively. Public expenditure management pertains only to (ii), and is thus only one instrument, albeit a key instrument, of government policy.⁴⁴ The PEM therefore has an integral relationship between revenue and expenditure - i.e. between the money collected directly or indirectly from the people (and, in most developing countries, from aid donors), and the use of that money in a manner that reflects most closely, the people's preferences, all applied through the budgetary system set out in Figure 2.4 below. The decaying Nigerian infrastructure, the degeneration of the educational and health systems,

Nigeria, the most populous country in Africa, living up to its name and size as it did in 2013, produced many firsts: the largest economy in Africa, the richest man and woman in Africa, and is one of the countries with the highest number of people living below the poverty

44 <http://www1.worldbank.org/publicsector/pe/PEAMCourse04/DorotinskyBackCh1.pdf>

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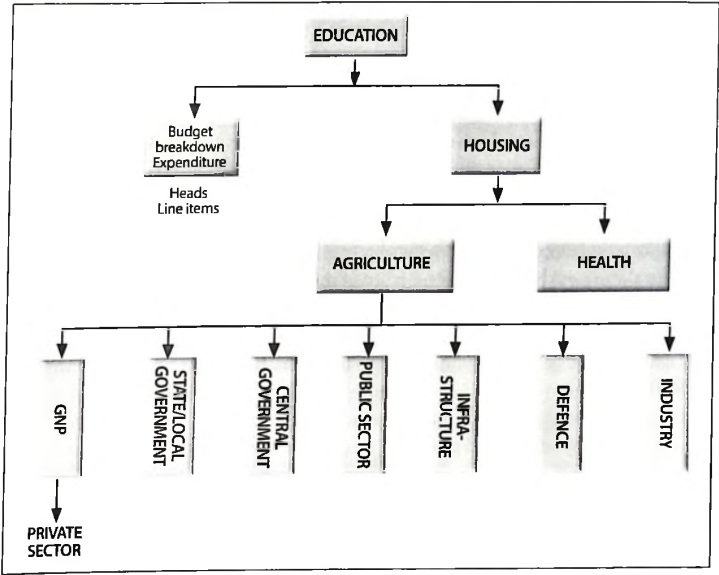
along with the rate of poverty, require a declaration of war to begin the reversal of the nation's situation.

While the country's power supply is more epileptic than that of countries at war, it is evident that the allocation of resources has been less than equitable to say the least. And all these are happening when the rich are getting richer and the army of the poor is continuously on the increase. This absurdity can be seen in the rebased metrics. Given that there is a considerably lesser bump in Nigeria's GDP in terms of per capita, it means that the growth in GDP is considerably discounted by the majorly poor population of Nigerians. Thinking about it, the PEM is not really the problem but the awkward political structure that the PEM feeds together with the corruption that stems from the structure. The structure of the PEM and the corruption it breeds are therefore the main stumbling blocks.

Economic growth and development should be about how development enlarges choices available to the people of the country. These choices include political freedom, guaranteed human rights and personal self-respect. The rebased GDP does not change any of these for the average Nigerian.

The structure itself needs changing so that progress can be generally made. People can now see more clearly that Nigeria is growing economically but the growth does not get to the people directly or indirectly. Armed with the rebased growth, the people are now better informed about the national prospect to hold the government accountable. Thirdly, as has been explained, growth in national production (GDP) is absolutely necessary to meet all essential human objectives. What is important is how this growth translates or fails to translate into human development in the society.

Figure 2.4 Allocation of Resources in a Market-Oriented Economy



Nigeria has failed woefully to translate its growth rate in GDP to human development in the past. That the growth that has been experienced was even higher in recent years and yet did not translate to a commensurate level of human development is a question that government will now be under pressure to answer. Economic growth and development should be about how development enlarges choices available to the people of the country. These choices include political freedom, guaranteed human rights and personal self-respect. The rebased GDP does not change any of these for the average Nigerian. The World Bank gave a confirmation of this when it said that the emergence of Nigeria as the 26th largest economy in the world as well as Africa's biggest economy, following the rebasing of the nation's nominal Gross Domestic Product (GDP) may not necessarily trigger financial inflows unless there are good policies and prospects to woo foreign investors. According to the World Bank Chief Economist, African Region, Mr Francisco Ferreira: "I think it's great to have a sense of how large the economy is; it (Nigeria) is also the most populous country in the region, the concept of being a bigger economy may actually be meaningless if there are no marked improvements in per capita income and living standard of individuals." In his reaction to the rebasing of Nigeria's nominal GDP, Fitch Ratings remarked "that per capita GDP ranking relative to other countries is more important in its sovereign rating

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methodology than the absolute GDP. It also added that the exercise did not have any automatic implication for Nigeria's BB-/Stable sovereign rating. The 2013 per capita GDP rises by 89% to \$2,900 on Fitch's calculations. But it remains below both the 'BB' and 'B' category peer group medians of \$4,528 and \$3,841, respectively. It is also below similarly rated oil exporters Gabon (\$10,688) and Angola (\$5,703)⁴⁵

It should therefore be re-emphasised that human development cannot be promoted by a single-minded pursuit of economic growth alone. This should not be misinterpreted to mean that growth is not important. It is the quantity of growth that is important. Without sufficient resources, little can be achieved. But the quantity of growth is only one contribution to human development. The distribution of growth to the people is also important to ensure that the growth benefits the generality of the people and in itself also enhances the input to the growth process thus ensuring that it is sustainable. According to *The Economist*, "the GDP revision is not mere trickery. It provides a truer picture of Nigeria's size by giving due weight to the bits of the economy, such as telecoms, banking and the Nollywood film industry that have been growing fast in recent years. The country's new GDP figures provide a useful reminder of what Nigeria must change. This is because the country may be a giant but is still poor. Despite the rapid growth of recent years, unemployment remains high and the number of people in poverty has sadly increased. Therefore, let Nigeria celebrate its new found status for a moment. And then let it go on with the task of living up to being Africa's true Number One"⁴⁶. All hands must be on deck to achieve this.

Goals, targets and indicators	
GOALS AND TARGETS FROM THE MILLENNIUM DECLARATION	INDICATORS FOR MONITORING PROGRESS
GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER	
TARGET 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1. Proportion of population below \$1 (PPP) per day 1A. Poverty headcount ratio (percentage of population below the national poverty line) 2. Poverty gap ratio (incidence x depth of poverty) 3. Share of poorest quintile in national consumption
TARGET 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	4. Prevalence of underweight children under 5 years of age 5. Proportion of population below minimum level of dietary energy consumption
GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION	
TARGET 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	6. Net enrolment ratio in primary education 7. Proportion of pupils starting grade 1 who reach grade 5 ^a 8. Literacy rate of 15–24 year-olds

45 <http://www.thisdaylive.com/articles/world-bank-gdp-rebasing-no-guarantee-for-financial-inflows/175630/>

46 *The Economist* - <http://www.economist.com/news/middle-east-and-africa/21576135-africas-giant-waking-up-it-still-looks-unsteady-its-feet-lurching-ahead>

GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN		
TARGET 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015		9. Ratio of girls to boys in primary, secondary and tertiary education 10. Ratio of literate women to men, 15–24 years old 11. Share of women in wage employment in the non-agricultural sector 12. Proportion of seats held by women in national parliament
GOAL 4: REDUCE CHILD MORTALITY		
TARGET 5: Reduce by two thirds, so, between 1990 and 2015, the under-five mortality rate		13. Under-five mortality rate 14. Infant mortality rate 15. Proportion of 1 year-old children immunized against measles
GOAL 5: IMPROVE MATERNAL HEALTH		
TARGET 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio		16. Maternal mortality ratio 17. Proportion of births attended by skilled health personnel
GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES		
TARGET 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS		18. HIV prevalence among pregnant women aged 15–24 years 19. Condom use rate of the contraceptive prevalence rate ^a 19A. Condom use at last high-risk sex 19B. Percentage of population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS ^a 19C. Contraceptive prevalence rate 20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14 years
TARGET 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases		21. Prevalence and death rates associated with malaria 22. Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures ^a 23. Prevalence and death rates associated with tuberculosis 24. Proportion of tuberculosis cases detected and cured under DOTS
GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY		
TARGET 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources		25. Proportion of land area covered by forest 26. Ratio of area protected to maintain biological diversity to surface area 27. Energy use (kg oil equivalent) per \$1 GDP (PPP) 28. Carbon dioxide emissions per capita and consumption of ozone-depleting CFCs (ODP tons) 29. Proportion of population using solid fuels
TARGET 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation		30. Proportion of population with sustainable access to an improved water source, urban and rural 31. Proportion of population with access to improved sanitation, urban and rural
TARGET 11: By 2020, not have achieved a significant improvement in the lives of at least 100 million slum dwellers		32. Proportion of households with access to secure tenure

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<p>GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT</p>	<p>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked countries and small island developing States</p>
<p>TARGET 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Includes a commitment to good governance, development and poverty reduction – both nationally and internationally</p>	<p>Official Development Assistance</p> <p>33. Net ODA, total and to the least developed countries, as a percentage of OECD/DAC donors' gross national income</p> <p>34. Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</p>
<p>TARGET 13: Address the special needs of the least developed countries Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p>	<p>35. Proportion of bilateral official development assistance of OECD/DAC donors that is untied</p> <p>36. ODA received in landlocked countries as a proportion of their gross national incomes</p> <p>37. ODA received in small island developing States as proportion of their gross national incomes</p>
<p>TARGET 14: Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p>	<p>Market Access</p> <p>38. Proportion of total developed country imports (by value and excluding arms) from developing countries and and from the least developed countries, admitted free of duty</p>
<p>TARGET 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p>	<p>39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>40. Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p>
<p>TARGET 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</p>	<p>41. Proportion of ODA provided to help build trade capacity</p> <p>Debt sustainability</p> <p>42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</p> <p>43. Debt relief committed under HIPC Initiative</p> <p>44. Debt service as a percentage of exports of goods and services</p>
<p>TARGET 17: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</p>	<p>45. Unemployment rate of young people aged 15-24 years, each sex and total¹</p>
<p>TARGET 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>46. Proportion of population with access to affordable essential drugs on a sustainable basis</p>
<p>TARGET 19: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>47. Telephone lines and cellular subscribers per 100 population</p> <p>48. Personal computers in use per 100 population and Internet users per 100 population</p> <p>49. Internet users per 100 population</p>

THE MILLENNIUM DEVELOPMENT GOALS and targets come from the Millennium Declaration, signed by 189 countries, including 147 Heads of State and Government, in September 2000 (<http://www.un.org.millennium/declaration/ares552e.htm>). The goals and targets are inter-related and should be seen as a whole. They represent a partnership between the developed countries and the developing countries "to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty".

Note: Goals, targets and indicators effective 8 September 2003.

- a. For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.
- b. An alternative indicator under development is "primary completion rate".
- c. Among contraceptive methods, only condoms are effective in preventing HIV transmission. Since the condom use rate is only measured among women in union, it is supplemented by an indicator on condom use in high-risk situations (indicator 19a) and an indicator on HIV/AIDS knowledge (indicator 19b). Indicator 19c (contraceptive prevalence rate) is also useful in tracking progress in other health, gender and poverty goals.
- d. This indicator is defined as the percentage of population aged 15-24 who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject the two most common local misconceptions about HIV transmission, and who know that a healthy-looking person can transmit HIV. However, since there are currently not a sufficient number of surveys to be able to calculate the indicator as defined above, UNICEF, in collaboration with UNAIDS and WHO, produced two proxy indicators that represent two components of the actual indicator. They are the following: (a) percentage of women and men 15-24 who know that a person can protect herself from HIV infection by "consistent use of condom"; (b) percentage of women and men 15-24 who know a healthy-looking person can transmit HIV.
- e. Prevention to be measured by the percentage of children under 5 sleeping under insecticide-treated bednets; treatment to be measured by percentage of children under 5 who are appropriately treated.
- f. An improved measure of the target for future years is under development by the International Labour Organisation.

CHAPTER THREE

No one should be left behind

*What is not brought to
consciousness comes to us as fate.*

– Carl Gustav Jung

- Mind the gap
- Mass hunger amidst plenty
- Unemployment and poverty
- A healthy nation is a wealthy nation
- A ladder to social mobility
- The ticking time bomb

Mind the gap

The national human development progress is measured by governments through references to national averages. National average is a term used to describe a common value, statistics or rating that is a representation of every member of the particular group (nation). These averages can cover up deep inequalities in progress, which is often rooted in disparities based on wealth, gender, group identity and other factors. These national averages

These averages can cover up deep inequalities in progress, which is often rooted in disparities based on wealth, gender, group identity and other factors... these regional gaps are even wider than international gaps because averages, for what they are, have a way of levelling and equalising extremities.

mask the significant regional differences that exist in a country. Human development gaps within regions in a country are as daunting as those that also exist between nations. In some cases, these regional gaps are even wider than international gaps because averages, for what they are, have a way of levelling and equalising extremities. Extreme poverty or illiteracy in one region, which is veneered into an average by the extraordinary positive performance in another region, masks the real challenges and obscures to some extent, the direction at which action should be targeted. Data concealed by averages allows the government of both the national and de-

prived regions at all levels, to live in denial and chase shadows instead of facing and dealing with the real issues at hand. Regional gaps reflect severe unequal opportunities veiled by averages. Regional differences encompass an entire geographical area or the areas being deprived. It could also be the difference between urban and rural population. The population growth in some developing countries, particularly Nigeria, is becoming concentrated in cities. This process of urbanisation seems to be inevitable, and what it requires is for policy makers to recognise these changes, identify and implement innovative programmes to deal with the issue, particularly as attempts to discourage urban migration have for the most part failed because it is the pursuit of better opportunities and greener pastures that attracts the increasing population drift from rural to urban centres in the first place. However, the disparity between rural and urban opportunities creates gaps which separate regions of the same country along poverty lines.

Regional inequality, be it in a specific area or areas or between rural and urban communities, represents people held back because of their gender, group identity, wealth or location. Such inequalities should not be tolerated as they create an unjust society. A society without justice cannot have peace and without peace there can be no progress. Extreme inequalities are also economically wasteful and socially destabilising. Overcoming the structural forces that create and perpetuate extreme inequality is not only a commitment to basic human rights but also one of the most efficient routes to overcome extreme poverty, enhance the welfare of the society and accelerate progress generally. These rights to, education, gender equality, survival in childhood and decent standard of living are universal. Education is one of the best investments any country can make. If Nigerians are true to themselves, what is dressed up as a big challenge is an opportunity to generally improve and grow the economy, generally improve the standard of living of the people and ensure that no one is left behind in abject poverty and penury. As a statement of fact, educated people are more productive and they contribute more to a country's economic growth. There is a need, therefore, to take Chief Awolowo's advice very seriously and ensure that there is compulsory and free primary education across the nation.

If Nigerians are true to themselves, what is dressed up as a big challenge is an opportunity to generally improve and grow the economy, generally improve the standard of living of the people and ensure that no one is left behind in abject poverty and penury.

Multiple and inter-locking layers of inequality create disadvantages for people throughout their lives. Inequality in this dimension matters partly because of the link between income distribution patterns and poverty levels. Income inequalities interact with other fortune-dependent inequalities. Being born into a poor household diminishes life chances, in some cases in a literal sense. In countries with a low human development index, chil-

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dren born into the poorest households are two to three times more likely to die before age five than those born into the richest households. Painfully, this disadvantage means that more than an average number of generationally poor people in life are trapped therein almost throughout their lives except very stiff efforts are made to break the chains of poverty and liberate them into a good life, or safety nets are provided by government or well-meaning individuals to support them.

Poor women are less likely to be educated and less likely to receive ante-natal care when they are pregnant. Their children are less likely to survive and in turn less likely to complete school. This is perpetuating a cycle of deprivation that is transmitted across generations. Reducing inequality in the distribution of human development opportu-

There is a need, therefore, to take Chief Awolowo's advice very seriously and ensure that there is compulsory and free primary education across the nation.

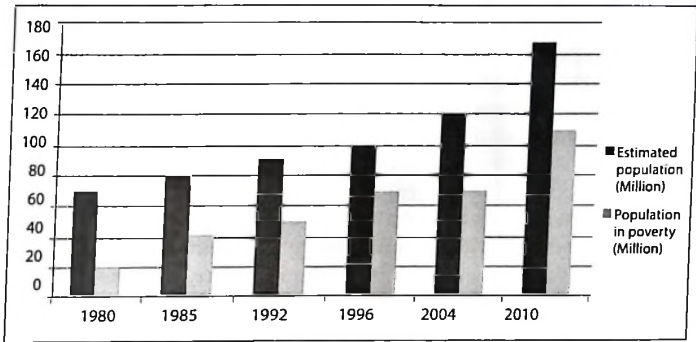
nities is a public policy priority in its own right. It matters for intrinsic reasons because it would also be instrumental in accelerating progress towards the MDGs. Closing a 20% gap in child mortality between the richest and poorest would cut child deaths by almost two-thirds to save more than six million lives a year and put the world back on track to achieve the MDG target of a two thirds reduction in child death rates.¹ More equitable income distribution would also act as a strong catalyst for accelerated poverty reduction.

Mass hunger amidst plenty

It is assumed that when growth improves, jobs are created and poverty rates fall. Leaders, therefore, have their eyes on the GDP growth figure as the leading indicator that projects the decline in poverty incidence through reduction in unemployment, increased household income and reduced inequality. In Nigeria, however, despite the impressive economic growth of over 7% annually in the last 10 years, unemployment and poverty have worsened since 2004 as shown in chart 3.1.

¹ Human Development Index

Chart 3.1 – Estimated Population versus Population in Poverty (N'million)



Source: Nigeria Bureau of Statistics (NBS)

The incidence of poverty in Nigeria became alarming in 2010 when the Millennium Development Goal (MDG) report for the year suggested that more than 50% of Nigerians live in chronic poverty. The Nigeria Bureau of Statistics (NBS) poverty profile report for 2010 sadly corroborated this position. The report is the outcome of the periodic Harmonised Nigeria Living Standard Survey (HNLSS) conducted by the NBS with support from the World Bank, DFID (UK) and UNICEF. The incidence of poverty in Nigeria appears to have been moderate prior to the period of democratic transition in 1999, as a proportion of the population, 27.2% were living below poverty line in 1980. The poverty incidence did not cross the 50% mark until 1996 when it surged to 65% as a result of the near collapse of the Nigerian economic system. This was a time when economic growth in Nigeria reached its lowest at 2.5% in 1995 and 4.3% in 1996. The high incidence of poverty in the five-year period of 1995-1999 could be justifiably linked to the political instability that characterised that period. Democratic rule in 1999 heralded a period of high economic growth built on improved flow of capital into the economy as a result of renewed confidence in democratic rule. This confidence could be alluded to the deluge of reforms embarked upon by the country and the liberalisation of the economy for increased private sector participation and financial market efficiency. Real GDP growth surged from an average of 2.54% in the period between 1995-1999 to 11.9% in the period between 2000-2004. Expectedly, the decline in poverty incidence to 54.4% in 2004 from 65% in 1996 is theoretically reasonable². The rising level of poverty experienced in recent years even in the backdrop of strong economic growth appears as a paradox as it conflicts

² BGL Intelligence Group Economic Note: The Nigeria's Paradox of Growth amidst High Poverty Incidence.

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with rational expectation that as the economy settles down to a long term growth, poverty levels should fall and the standard of living of the people should improve.

It is not so much a paradox because the wealth that is being created benefits a very small proportion of the population due to several factors earlier discussed. These include excess recurrent expenditure, benefitting a small number of people, high cost of governance, kleptomaniac elites and their bush meat mentality.

The NBS measures four types of poverty incidence: 1) the food poverty measure, which defines the proportion of the population, living on less than 3000 calories per day. 2) the absolute poverty measure, which defines those living below a defined minimum standard of food, clothing, healthcare and shelter; 3) the relative poverty measure, which defines those living below the living standards of the majority in a given society and; 4) the Dollar per day measure, which defines those living below US\$1 per day, which is based on the World Bank's Purchasing Power Parity (PPP) index. In 2010, it was estimated that 66 million Nigerians or 40.63% of the population did not have access to 3000 calories of food per day. About 99 million or 60.5% of Nigerians were absolutely poor and living below the humanly acceptable standards for food intakes. They had no decent clothing and no access to standard healthcare and shelter. A total of 112million Nigerians are also relatively poor, and 99.5million live on less than a dollar per day. Across the six geo-political zones, the Northwest had the highest incidence of poverty across the poverty measures. The poverty figures suggest that the incidence of poverty in Nigeria worsened between 2004 and 2010. The report indicates that the number of Nigerians, living below poverty line rose from 68.7million to 112.5million (63.7% rise in poverty incidence) during the period, while the population rose from 139.2million to 158.6million (13.9% rise in population growth) over the same period. The figures on unemployment in Nigeria corroborated this situation as the numbers of unemployed continued to grow from 12.3% in 2006 to 23.9% in 2011 (Chart 3.3). However, during the same period, Nigeria's economy grew strongly at an average annual growth rate in excess of 6.6%, making the country the fifth fastest growing economy in the World in 2010 at 7.87% real growth rate.³ According to the Next Generation Nigeria Task Force report, Nigeria will need to create 15 million new jobs over the next ten years to be able to stem the rising unemployment she is faced with.⁴

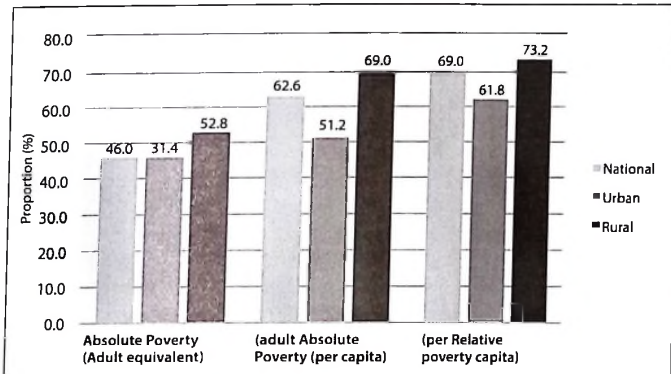
Absolute poverty means the inadequacy of minimal requirements necessary to afford things like food, clothing, shelter and medical care. It is the lack of the minimum level of income needed. Absolute poverty is the complete insufficiency of resources needed to

3 (2011). National Bureau of Statistics

4 The Next Generation Nigeria Task Force was convened by the British Council Nigeria and the report was published in 2010.

sustain life, while relative poverty refers to the inadequate lack of income when compared to the average standard of living. As such, relative poverty implies that the individual has the ability to sustain his or her basic needs, but may lack the resources to engage in various social activities or afford the luxuries of life. Chart 3.2 shows that in whatever way poverty is measured, poverty in the urban areas is lower than the national average while poverty in the rural areas is significantly higher than the national average. Relative poverty in the rural area at 73.2% is deplorable. The above properly exemplifies the lack of a people-oriented development, particularly when it makes it very difficult for a section of the country to share in the national wealth. It also highlights vividly the structural disequilibrium in the Nigerian economy which has failed to sustain the key productive and high employment sectors across the whole nation instead of supporting excessive consumerism and rent-seeking. The impact is a self-sustaining higher-than-average inequality level in the deprived areas and hence high poverty incidence.

Chart 3.2 – Absolute and Relative Poverty – National, Urban and Rural (2010)



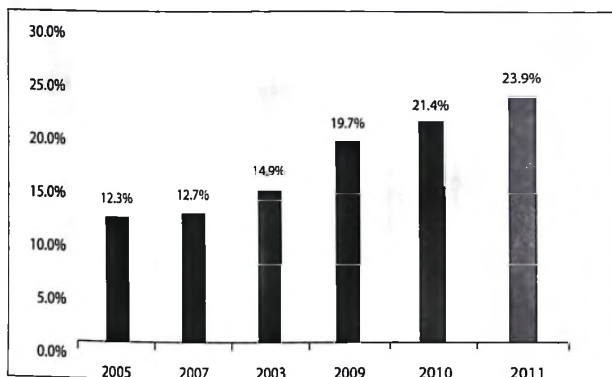
Source: Nigeria Bureau of Statistics (NBS)

State-level variations in poverty are equally significant. The majority of the states with absolute poverty (per capita) of more than 57% are in the Northwest and Northeast geo-political zones of the country (Chart 3.4). The statistics show that generally, poverty is more widespread and deeper in the northern parts of the country. The predisposing factors of widespread poverty in the northern region are evident in various ways - like the collapse of key industries like textiles, low female participation in the labour force, poor education, infrastructural decay, and increased insecurity, especially since 2009 when the Boko Haram insurgency broke out⁵. The sharp disparity in poverty rates across states in Nigeria is exemplified by the outcomes for Osun and Jigawa states in Chart 3.7.

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The National Bureau of Statistics has shown that at the end of 2012, Sokoto State remained the poorest state in the country, with 81.2% poverty rate. According to the information on states of the federation posted on the Bureau's website, other states with over 70% poverty rate include Katsina, 74.5%; Adamawa, 74.2%; Gombe, 74.2%; Jigawa, 74.1%; Plateau, 74.1%; Ebonyi, 73.6%; Bauchi, 73%; Kebbi, 72% and Zamfara, 70.8%. The state with the lowest poverty rate was Niger with 33.8%, followed by Osun with 37.9% and Ondo, 45.7%. Others with less than 50% poverty rate were Bayelsa State, 47% and Lagos State, 48.6%. The average poverty rate of the states in the Northwest geo-political zone remained the highest at 71.4% followed by Northeast 69.1% and North Central, 60.7%. The record showed that poverty was least prevalent in the Southwest, with an average of 49.8%, followed by South-South, 55.5% and Southeast, 59.5%. As Chart 3.5 shows and according to the NBS 2010 report, Sokoto had the highest poverty rate of 86.4%, while Niger had the lowest at 43.6%. In 2004, Jigawa State had the highest poverty rate of 95%, while Anambra, had the lowest at 22%. For unemployment rate, Zamfara State had the highest rate of 42.6%, followed by Bauchi, 41.4%.

Chart 3.3 - Unemployment Rate



Source: www.tradingeconomics.com | National Bureau of Statistics (NBS)

Other states with above 30% unemployment rate included, Gombe, 38.7%; Nassarawa, 36.5%; Jigawa, 35.9%; Edo, 35.2%; Adamawa, 33.8% and Kaduna, 30.3%. According to NBS, unemployment was least in Osun followed by Kwara and Lagos.⁵ From the above, it becomes clear that the poverty rate in the Northeast and North Central require special attention. The high variability in the poverty rates across the states of the country underscores the compelling need

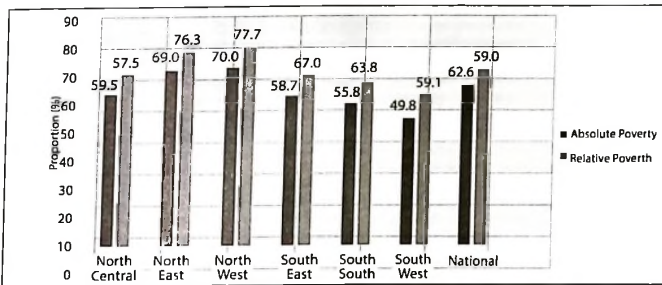
⁵ <http://www.punchng.com/news/sokoto-katsina-top-list-of-poor-states/>

for well-targeted local - rural initiatives, strategies and programmes to tackle local economic challenges. The Federal Government has to work with the state governments in this regard. The critical bottlenecks to this issue continue to remain sources of setback, varying from rising unemployment, high income inequality to rapid population expansion.

Unemployment and poverty

These twin evils have remained one of Nigeria's most challenging socio-economic burdens. The poverty situation is underpinned by the high national unemployment rate estimated at 23.90% in 2011 as compared to 21.10% in 2010 and 19.70% in 2009. To reduce unemployment and poverty, economic progress must outpace demographic expansion in a progressive manner. But the inability of government to institute matching economic expansion and employment-generating interventions that would make it possible for the over 1.8 million new entrants into the job market every year to be absorbed, at least as a starting point, pose a major challenge to poverty reduction efforts in the country.

Chart 3.4 – Poverty rates across geo-political zones



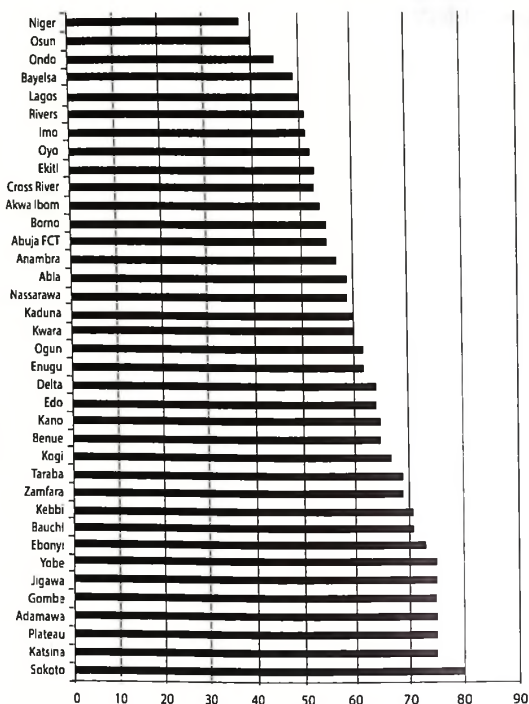
Source: National Bureau of Statistics (NBS 2013)

The upward trend in income inequality underscores the importance of enhanced opportunities for employment and the establishment of income-earning economic activities for the rapid expansion of the labour force. It is also necessary to have a more discriminatory tax policy for income redistribution, as indicated by the Gini Index, increasing from 0.39 in 2004 to 0.42 in 2010, which compounds the challenge as it mirrors the rise in relative poverty from 54.40% in 2004 to 69.0% in 2010.⁶ Poverty is a multi-dimensional phenomenon.

⁶ The Gini coefficient (or index) measures the inequality among values of a level of income. A Gini coefficient of zero expresses perfect equality, where all values are the same (for example, where everyone has the same income). A Gini coefficient of one (or 100%) expresses maximal inequality among values (for example where only one person has all the income)

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Chart 3.5 – Dollar per Day Poverty Incidence by States 2010



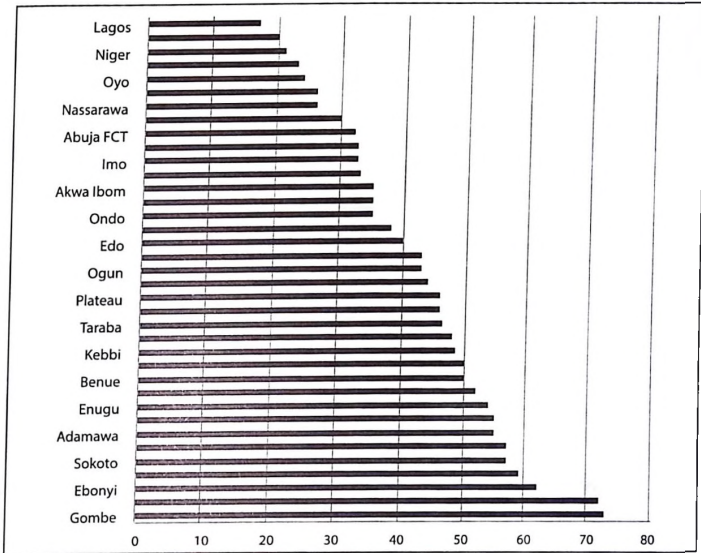
The *World Development Report 2000/2001* (see World Bank, 2001) summarises the various dimensions of poverty in terms of lack of opportunity, lack of empowerment and lack of security. The window of opportunities remains closed to the poor masses, and this makes them practically inactive in the society. Their lack of empowerment limits their choices in almost everything and their lack of security makes them vulnerable to attacks, violence and so on. Similarly, a United Nations' statement confirms that:

"Poverty is a denial of choices and opportunities, a violation of human dignity.

"Poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not

having enough to feed and clothe a family, not having a school or clinic to go to; not having the land on which to grow one's food, or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments without access to clean water or sanitation"⁷.

Chart 3.6 – Food Poverty Incidence by States - 2010

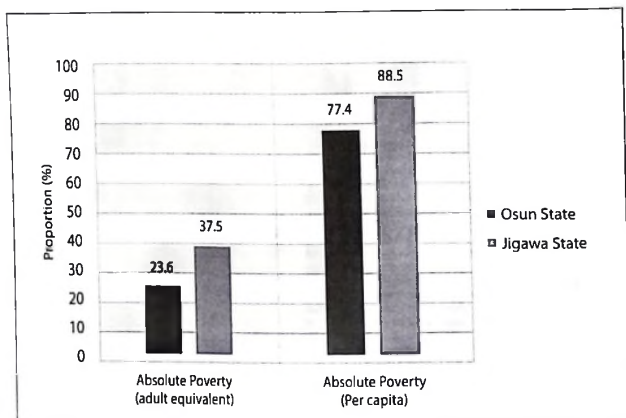


Source: National Bureau of Statistics (NBS 2013)

The rapid population expansion in Nigeria ranks her as the world's eighth most populous country. At the current rate of growth, Nigeria's population is estimated to rise by 68 million by 2030 and a further 63million by 2050. This will possibly place her as the fifth most populous nation in the world after India, China, the USA and Pakistan.

⁷ United Nations' Statement of June 1998, which was signed by the heads of all UN agencies; see: <http://www.helium.com/items/1587576-poor-service-delivery>.

Chart 3.7: Absolute poverty in Osun and Jigawa States, Nigeria (2010)



Source: National Bureau of Statistics (NBS)

At this rate of expansion, the country requires a much faster growth rate than the current 6.0% -7.0% annually. Rapid population growth brings about a weak connection between

At the current rate of growth, Nigeria's population is estimated to rise by 68 million by 2030 and a further 63million by 2050. This will possibly place her as the fifth most populous nation in the world after India, China, the USA and Pakistan.

economic growth and poverty reduction through a number of channels, including pressure on the available infrastructure, declining productivity and the higher cost of providing and maintaining social services. The disparity in the rate of poverty as depicted by the above chart is wide. This is another paradox of hunger in the midst of plenty and is one of the greatest headaches, facing the government in general and the Northeast and Northwest states in particular as Table 3.1 below shows in terms of food, absolute and relative poverty and income below a dollar per day.

Table 3.1: Distribution of Poverty Incidence by type (2010)

Zone	Food Poor	Absolute Poor	Relative Poor	Dollar Per Day
North Central	38.60	59.50	67.50	59.70
Northeast	51.50	69.00	76.30	69.10
Northwest	51.80	70.00	77.70	70.40
Southeast	41.00	58.70	67.00	59.20
South-South	35.50	55.90	63.80	56.10
Southwest	25.40	49.80	59.10	50.10
Average	40.63	60.48	68.57	60.77

Source: National Bureau of Statistics (NBS)

A healthy nation is a wealthy nation

The differentials in the health of the population of a nation, including children, have given prominence to the concept of health inequalities, which is now one of the most explored questions in public health⁸. Inequality in health exists both within and between developing and developed countries across the globe. Child mortality is often used as a measure of a population's health since it reflects the social, economic and environmental conditions in which children (and others in society) live, including the state of their healthcare. Children under-five mortality (U5M) rate is also an indicator of the Millennium Development Goals (MDGs). Data on under-five mortality in Nigeria was published from the 2008 Nigeria Demographic Health Survey (DHS) datasets. The DHS survey is a cross-sectional study that was implemented by the National Population Commission from June to October 2008 on a nationally representative sample of more than 36,000 households. Chart 3.8 shows that the poorest urban households had higher mortality than the poorest rural households. It was also observed that the inequality in U5M rate in urban groups was wider than the rural groups. The poorest had 2.4 times the mortality rate of the richest (140% relative gap) in the urban, while in the rural the difference between the poorest was less than twice (1.7 times) that of the richest households (71% relative gap) as set out in Chart 3.8. Sharp differences exist in hunger rates across states and between rural and urban areas. The hunger rate is higher in rural areas than urban ones. While the latest statistics from the NBS survey on underweight under-five children is not aggregated by gender, the previous Nigeria Demographic and

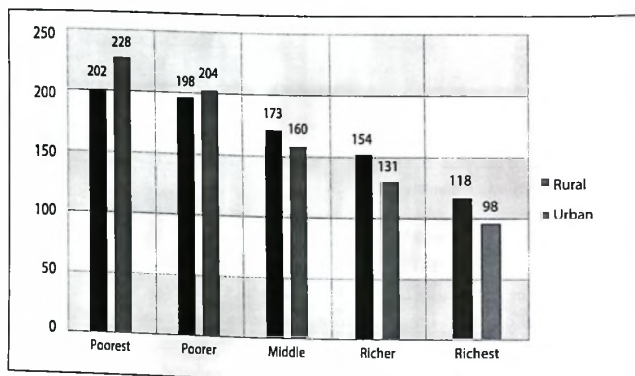
There can be no compromise on universal female education if child health indicators are to improve in Nigeria.

8 Marmot M. (2005). Social determinants of health inequalities. *Lancet*.365 1099-104.

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Health Survey 2008 estimates that the incidence of children under five years of age who are underweight is higher for males (24.50%), than females (21.70%). Another dimension of the disparity in extreme hunger is the state-level incidence. The multiple disparities raise the stakes for measures needed for promoting food security through agricultural and rural development.

Chart 3.8: Comparison of U-5MR per 1,000 live births across wealth quintiles in urban and rural areas for 2003-2008, Nigeria

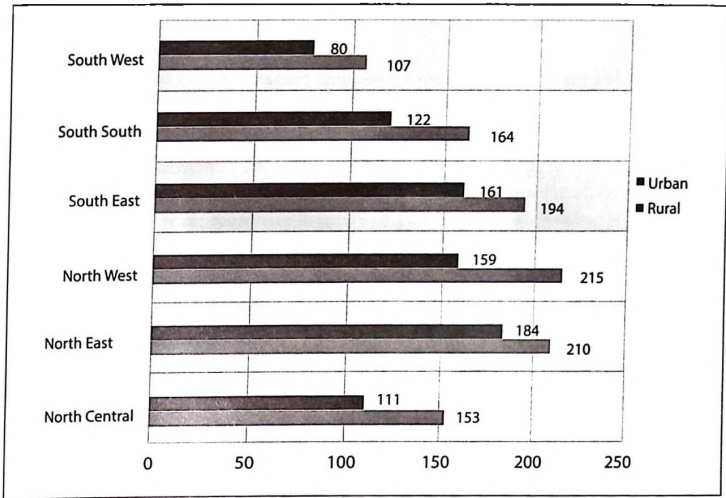


Source: WHO, USAID, NPC

Maternal education, on the other hand, has remained one of the most important determinants of child survival in Nigeria. There can be no compromise on universal female education if child health indicators are to improve in Nigeria.⁹ The argument is anchored on the understanding that health in Nigeria is obscure because of its emphasis on medical cure as a substitute to medical care. Secondly, there is a huge inequality in healthcare provision amongst class and among the geo-political zones in Nigeria. Thirdly, health indicators show that life expectancy at birth is low - 47 for males and 52 for females, and the probability of under- fives' mortality is 158 per 1,000 live births.

⁹ Adeniyi A. Adeboye MBBS, MS, MPH1†, Olusimbo K. Ige MBBS, MSc2, Rafeek A. Yusuf MBBS. (2013). *Child Health Inequalities in Nigeria: Magnitude and Determinants of Mortality in Children under Five.*

Chart 3.9 - Child mortality across geo-political zones (2012)



Source: WHO, USAID, NPC

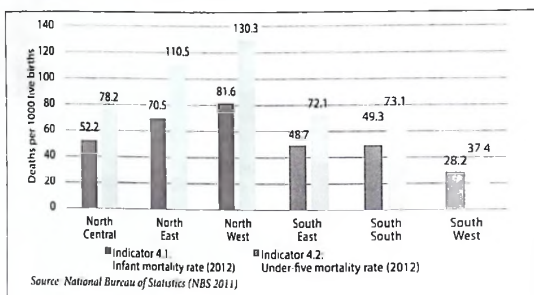
Maternal mortality is among the highest in the world at 545 per 100,000. In some states it's as high as 1,500 per 100,000 live births (National Bureau of Statistic, 2011). Nigeria has a large number of children under the age of five, suffering from severe to moderate malnutrition, and an estimated 43% of children, suffering from stunted growth. Regional disparities blight national progress on the reduction of child mortality as recorded in IMRs and U5MR between the rural and urban areas. Evidence also points to wide disparities across the states and geo-political zones as well as the rural-urban divide as shown in Chart 3.10. In the urban areas, the IMR is estimated at 42 deaths per 1000 live births, a much lower IMR incidence when compared with the 67 deaths per 1000 live births in the rural areas. The level of the IMR is much worse in the Northwest zone – 82 deaths per 1000 live births – and the Northeast zone – 70.5 deaths per 1000 live births. The relatively high IMR in the Northeast and Northwest zones suggest a spatial expression of inequalities in health demographics – that is, a mixture of poverty and mortality, given that two-thirds of the population in the zones are reportedly in the two lowest wealth quintiles. The two

Maternal mortality is among the highest in the world at 545 per 100,000. In some states it's as high as 1,500 per 100,000 live births

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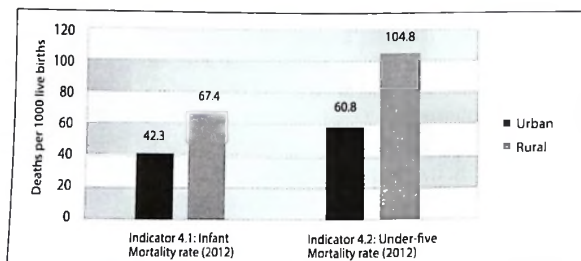
zones also reportedly have the largest deficits in access to basic health care, with 80.0% of the population, lacking access to the eight life-saving interventions tracked by the countdown to 2015 initiative. In the middle of the range is the North Central zone with an IMR of 52 deaths per 1000 live births. For the Southwest, Southeast and South South zones, the IMR is generally less than 50 deaths per 1000 live births.¹⁰

Chart 3.10: Child mortality across geo-political zones (2012)



Nigeria has made some progress in reducing child mortality, although this has been slow. In 1990, the infant mortality rate (IMR) was estimated at 91 deaths per 1000 live births. However, by 2008 the IMR had fallen to 75 deaths per 1000 live births and by 2012 it further declined to 61 deaths per 1000 live births as against the 2015 target of 30.3 deaths per 1000 live births. Similarly, substantial improvements have occurred in the U5MR. From 191 deaths per 1000 live births in 2000, it dropped to 157 per 1000 in 2008. It dropped further to 94 deaths per 1000 live births in 2012. However, Nigeria is currently short of the 2015 target of 63.7 deaths per 1000 live births. Progress on the reduction of child mortality is mooted by sub-national disparities in IMRs and U5MR between the rural and urban areas.

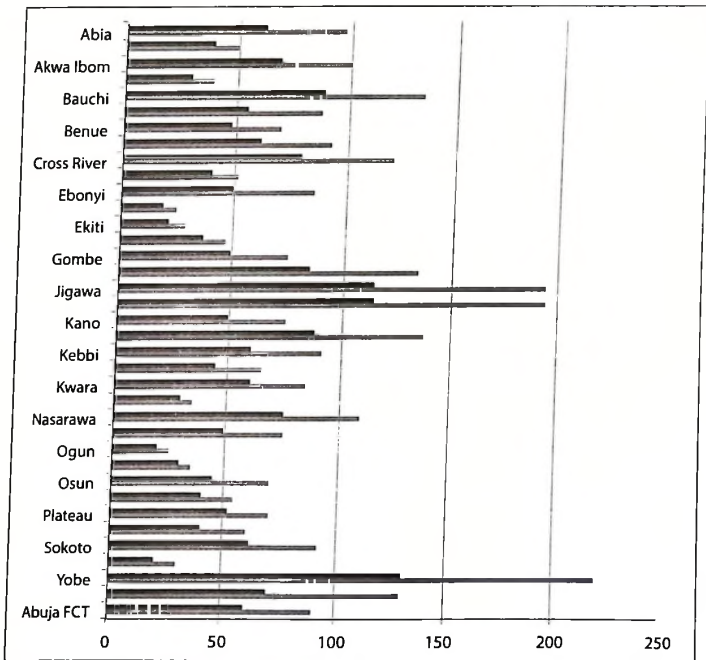
Chart 3.11: Rural-urban disparity in child mortality (2012)



Source: MDG report 2013, National Bureau of Statistics (NBS 2013)

By current estimates, the IMR in the rural areas would need to be halved from its present level to achieve the target for 2015. Hence, a much more focused intervention remains a priority response for rural areas. The level of the IMR is much worse in the Northwest zone – 82 deaths per 1000 live births – and the Northeast zone – 70.5 deaths per 1000 live births. The target for U5MR for 2015 may have been achieved in the urban areas of Nigeria, where the U5MR is presently at 60.8 deaths per 1000 live births. In the rural areas, the U5MR is significantly higher at 104.8 deaths per 1000 live births compared to the 2015 target of 63.7 deaths per 1000 live births.

Chart 3.12 - Infant and under-five mortality rates across states and the FCT



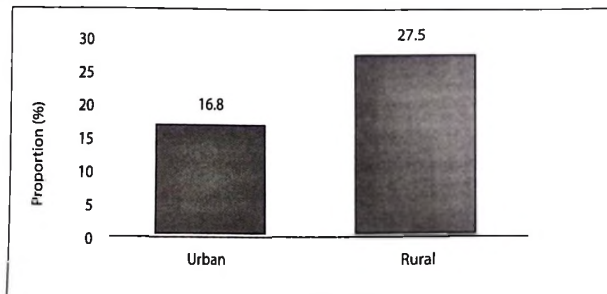
Source: National Bureau of Statistics (NBS 2013)

With respect to the U5MR, it is apparent that the Southwest, Southeast, South South and North Central geo-political zones have indeed attained and exceeded the national 2015 target of 60.8 deaths per 1000 live births. A deeper perspective on the disparities can be obtained by viewing

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the graphical presentation of the comparative data across the states and the FCT. Some states, including Ekiti, Ondo, Ogun, Lagos, Edo, Anambra and Taraba, have reached the national IMR targets for 2015. The low national outlook is a consequence of the relatively high IMR in Yobe, Kaduna, Jigawa, Bauchi and Katsina States. Similarly, with regards to the U5MR, 12 states have already achieved the national target for 2015, while the lagging states include Yobe, Kaduna, Jigawa, Bauchi and Katsina, among others. Factors, militating against speedy progress range from the very large proportion (65.0%) of births that take place at home, often without any contact with any health officer or facility, insufficient numbers of skilled birth attendants, harmful traditional myths, considerable incidence of acute respiratory infections, fevers, and dehydration from diarrhoea, with low medical attention at the presentation of symptoms.¹¹ In the case of being underweight, underweight children aged 0-36 months in Nigeria have also been measured between 1999 and 2008. When the country was under military rule, the poorest had the highest mean underweight children. There is existence within and between regional variations in inequality in being underweight both from the descriptive and from concentration index analysis. The three zones in the northern part of the country have high incidences of being underweight as studies have shown. The observed variation in under-five mortality in Nigeria was measured in terms of fathers' age, ethnicity, region of residence, mothers' educational attainment and household wealth index. The findings from a study in this area carried out by Adeboye Adeniyi and others are similar to those of other authors except for the influence of the fathers' age. Fathers' age is a new finding which needs further exploration by other studies. Although living in an urban or rural area has long been one of the key variables for differentiating child mortality, its impact seems to be fading away¹².

Chart 3.13 Proportions of urban and rural children under the age of five who are underweight (2011)



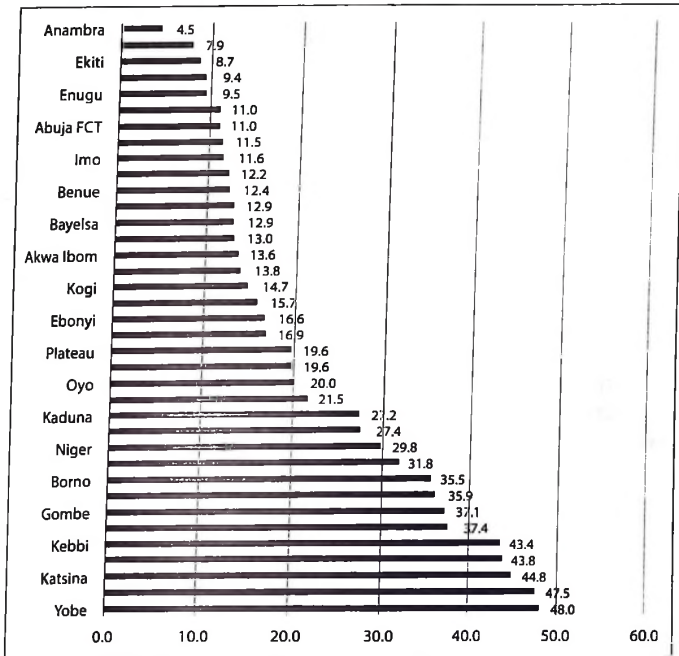
Source: MDG report 2013, NBS (2011)

11 Millenium Development Goals Report 2013

12 Adeboye Adeniyi et. al. (2013). Child Health Inequalities in Nigeria: Magnitude and Determinants of Mortality in Children under Five.

Similarly, Kebbi, Jigawa, Kastina, Zamfara and Yobe had the record of above 40% of underweight among under-five children, compared to Anambra, Edo, Ekiti, Rivers and Enugu, which all recorded below 10%, showing the huge gap between them and the Northwest and Northeast in this area.

Chart 3.14: State-level disparities in the proportion of children under the age of five who are underweight



Source: National Bureau of Statistics (NBS 2011)

The proportion of children under five years of age, who are underweight is one of three indicators used by the International Food Policy Research Institute to construct the Global Hunger Index. Nigeria's performance on the Global Hunger Index has improved consistently since the 1990s as set out in Table 3.2. Nigeria, however, is ranked 40th out of 79 countries, and had a Global Hunger Index score of 15.0 in 2012, positioning it

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among countries rated as 'seriously' suffering from hunger.¹³ Hunger is also measured by the proportion of under-five children, who are underweight, that is, have a low weight for their age, reflecting wasting or stunting, or both.

Table 3.2: Nigeria Hunger Index Summary 1990 - 2012

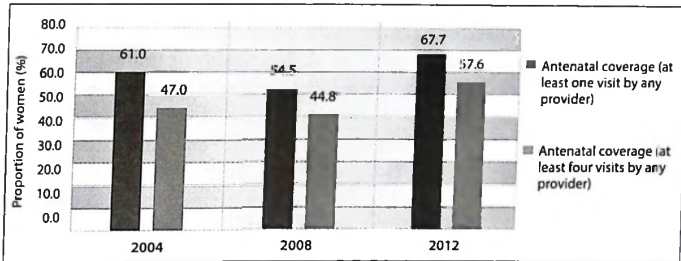
Type measured	1990	2001	2012
Population of under nourished people %	19.3	19.2	8.5
Proportion of Under-five that is unweight %	35.1	24.7	24.2
Under five mortality %	21.4	18.8	12.4
Global Hunger Index	25.3	17.9	15.0

Source: Compiled by Project Hope from Global Hunger Index

The inequalities in health care provision in rural against urban regions can be seen to rise because of the circumstances in which people grow, live, and work, and in their ages and the systems put in place to deal with illnesses. These conditions are shaped by political and social forces, and in that way undermine the overall health interest of the common people. Emphasis in Nigeria is on the curative than preventive healthcare because the curative serves the elite, whereas the preventive serves the poor (Erinosho, 2006). Understanding differences in access to healthcare is highly complex. This is because services can be needed, but neither demanded nor supplied; they can be both needed and demanded but not supplied and they may be both needed and supplied, but not demanded (Smaje and Field, 1997). In Nigeria, the evidence suggests that healthcare is limited in rural societies. The limited availability of healthcare facilities in such rural areas hinders people in the lower strata of society from seeking medical care. Hence, this group of persons have been forced to contend with higher morbidity and mortality rates of almost every disease or illness. Besides, individuals' ability to access healthcare in Nigeria is correlated with such individuals' ability to pay for such services. Furthermore, the distribution of healthcare infrastructure is highly urban, particularly in major cities of Nigeria where residents have the ability to pay for the services. This is evident in the way and manner healthcare facilities are distributed on the basis of urban and geo-political zones within the country. Furthermore, inequalities in health systems stem from the conditions of life of people, which further affect people's ability to respond to illness. Based on the foregoing, therefore, it is important for the government to focus primarily on the prevention of disease in addition to those approaches that merely focus on treatment of the sick. Governments should create community and environmental interventions and must pay increasing attention to the role of political, social and economic structures that influence the provision and access to healthcare.

13 <http://www.ifpri.org/sites/default/files/publications/ghi13.pdf>

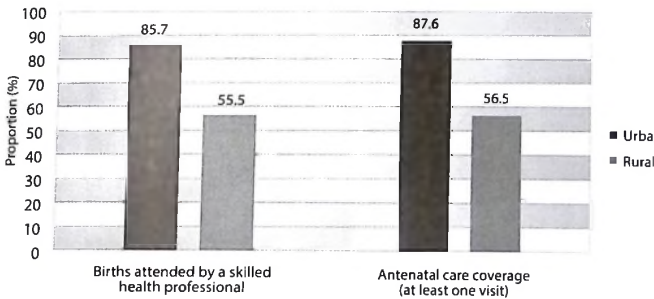
Chart 3.15: Antenatal care coverage – at least one visit and at least four visits



Sources: National Bureau of Statistics (2013)

Ante-natal care coverage (at least one visit) is among the health interventions capable of reducing maternal morbidity. It is critically important and timely too, to reach women with interventions and information which promote the health, well-being and survival of mothers as well as their babies. Coverage (of at least one visit) with a skilled health worker significantly increased maternal survival rate to 67.70% in 2012 from 61.0% in 2004. In a similar vein, ante-natal coverage – of at least four visits – rose to 57.80% in 2012 as against 47.0% in 2004. In general, there are striking disparities or inequalities in the maternal mortality condition across the states and geo-political zones of the country. Latest statistics show high rates of maternal mortality in the Northwest and Northeast.

Chart 3.16 - Rural-urban disparities in the presence of a skilled birth attendant and antenatal care coverage (at least one visit)



Source: National Bureau of Statistics (NBS 2013)

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The high maternal mortality rates in the Northwest and Northeast zones correspond with the low rates of ante-natal care coverage, indicating that antenatal coverage will need to be improved considerably in order to reduce maternal mortality. The disparity in the proportion of births attended by skilled health personnel follows the typical sub-national outlook. There are relatively high rates in the Southeast (93.0%),

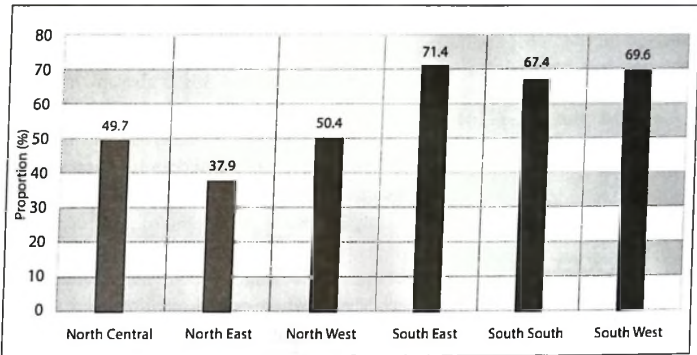
Nigeria has made steady progress in reducing maternal deaths and moving towards the achievement of MDG 5 (Improve maternal health).

the Southwest (85.0%), the South South (76.0%) and the North Central (64.0%) zones alongside low rates in the Northwest and Northeast (less than 43.0%) zones. The rural-urban divide in the proportion of births attended by skilled health personnel and the level of ante-natal coverage underscores the service delivery challenges of the primary health care system in the rural areas of the country. Nigeria has made steady progress in reducing maternal deaths and is

moving towards the achievement of MDG 5 (improve maternal health). From a high rate of 1000 deaths per 100,000 live births in 1990, maternal mortality fell to 800 deaths per 100,000 live births in 2004, 545 deaths per 100,000 live births in 2008 and 350 deaths per 100,000 live births in 2012. Maternal mortality declined by 20.0% between 1990 and 2004 and by 36.0% between 2004 and 2008. However, Nigeria's current status, estimated at 350 maternal deaths per 100,000 live births, is still 40.0% short of the 2015 target of 250 maternal deaths per 100,000 live births. According to the National Health and Demographic Survey 2008, the major causes of maternal deaths are: haemorrhage, infection, malaria, toxæmia/eclampsia, obstructed labour, anaemia and unsafe abortion (National Population Commission, 2009). Other major challenges to MDG 5 include:

- Socio-cultural and religious barriers to the use of maternal health services
- Inadequately trained health personnel (especially birth attendants) and their uneven distribution across the country
- Inadequate facilities and equipment
- A poor referral system.

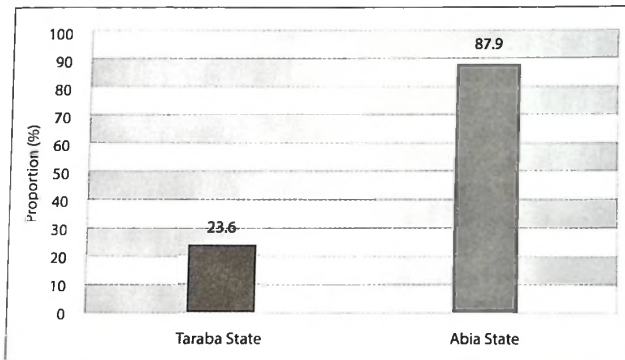
Chart 3.17 - Proportion having access to an improved drinking Water source by geopolitical zone (2011)



Source: National Bureau of Statistics (NBS 2011)

In Bauchi and Cross River States, the Nigerian Evidence-based Health System Initiative has offered a fundamentally different approach. The initiative addresses maternal mortality by strengthening the existing health information system and addressing the root causes of maternal deaths. Using sound data collection methodologies, involving health workers, planners and communities, it not only provides evidence, but also catalyses the primary health care system to provide better care for mothers and newborns.

Chart 3.18 - Comparison between Taraba and Abia States on the proportion using an improved drinking water source (2011)



Source: National Bureau of Statistics (NBS 2011)

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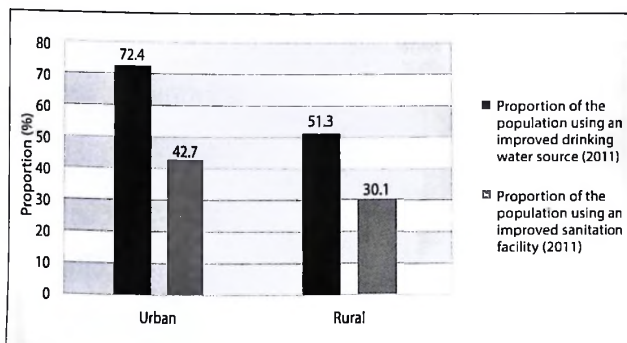
Across the six geopolitical zones, there are considerable disparities in access to clean

Access to water, sanitation and hygiene is a daily challenge for many Nigerians. The problem is particularly acute in rural northern Nigeria where only about 30% of the population have access to safe drinking water and adequate sanitation

water. While the Southeast geo-political zone has almost achieved the national target of 71% of inhabitants having access to clean water, in the Northeast, only 38% of the population have access to clean water. This is also mirrored in the disparities between states. For example, Abia State exceeds the national target with 87.9% of its inhabitants, having access to improved water supply, while in Taraba State the proportion is only 23.6%.

Access to water, sanitation and hygiene is a daily challenge for many Nigerians. The problem is particularly acute in rural northern Nigeria where only about 30% of the population have access to safe drinking water and adequate sanitation. This situation leads to a high prevalence of water-borne diseases, threatens the livelihoods of small scale farmers and contributes to low levels of school enrolment. Nigeria's progress in providing clean water to its inhabitants has been irregular. While the general trend since 2007 has been an overall increase from 49.10% to 57.40%, this still leaves the gap of a target of approximately 20% to be covered in 2015. This is not likely to be easily achieved. Nevertheless, there have been positive attempts to improve access to clean water, particularly in the rural areas.

Chart 3.19 - Urban-rural access to an improved drinking water source and an improved sanitation facility (2011)



Source: National Bureau of Statistics (NBS 2011)

The MDG's office has in the last few years, with the assistance of development partners, promoted water projects (mainly boreholes) in many villages in the country. Such efforts

will need to be tenaciously maintained and even augmented in order to make the desired progress possible here.

Nigeria's progress on the MDGs environmental indicators is generally slow, with a lot of room for improvement. One major problem is the lack of data to track progress on many of the pertinent environment related indicators. The paucity of data has not allowed complete assessment of Nigeria's achievement of many of the environmental sustainability indicators under MDG 7 (Ensure environmental sustainability). In order to improve future assessments, efforts would have to be made to improve environmental data collection and reporting. With improved data, future assessments could track indicators, including the areas protected to maintain biological diversity, energy use (kg of oil equivalent) per USD 1 GDP (PPP), carbon dioxide emissions per capita, consumption of ozone depleting chlorofluorocarbons (ozone-depleting potential tonne) and the proportion of the population using solid fuels.

The system of healthcare delivery in Nigeria seems complex. The complexity is evident in the disparity in which healthcare facilities are provided by the government. With a so-called public funded system of healthcare, one would expect the availability and free-for-all health facilities to use, but this is often not the case.

The inequality noted between rural and urban areas and between states is partly resultant from the lack of a structured healthcare system and the medical brain drain which occurs among many of the country's top brains, causing them to move abroad in search of higher income and better lives for themselves and their families thus leading to a dearth of trained human resources. In such circumstances, it is the poor and socially disadvantaged that bear the brunt of Nigeria's iniquitous health system. At least 70% to 75 % of health expenditure comes from out-of-pocket expenses. The wealthy and middle classes either have access to private or insurance-based healthcare access, or will travel overseas to access it. The system of healthcare delivery in Nigeria seems complex. The complexity is evident in the disparity in which healthcare facilities are provided by the government. With a so-called public funded system of healthcare, one would expect the availability and free-for-all health facilities to use, but this is often not the case.

Out-of-pocket payment for healthcare services puts majority of Nigerians in a great deal of financial risk and further restricts their direct enjoyment and access to healthcare benefits when needed.

Furthermore, irrespective of the problem of provision, the situation with regard to access to these facilities is further complicated by the fact that majority of Nigerians, including

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the poor pay for healthcare from their private pockets. In Nigeria, there exist different types of facilities, providers and ways through which services are provided. But, one of the major problems associated with the Nigerian health system is her health financing. For example, the World Health Organisation (2011) sees health financing as concerned with the mobilisation, accumulation and allocation of money to cover the health needs of the people, individually and collectively in the health system. Hence, the system is expected to be structured in a way that even the poorest in the remote villages should be able to receive needed care without worrying about the cost, which is the hallmark of an equitable and fair health system. It is also important to state that utilisation of healthcare is not the same thing as access. The evidence of supply of healthcare facilities certainly suggests restricted access to many forms of services in government owned hospitals, although the 'supply' in the independent sector is abundant and instantly available for those who can afford it.

Healthcare in Nigeria is paid for through different mechanisms – allocation from government's budget, out-of-pocket payments, health insurance (social and private) and through external funding. In Nigeria, majority of health care services are privately financed. Private expenditure on health as a percentage of total health expenditure was 63.3% in 2011 (WHO, 2011) and that is about two-thirds of the total amount spent on health care. Inclusive of this is prepayment through private health insurance plans which is only 3.1% and a huge 95.4% is paid out-of-pocket (Shobiye, 2012). This means that in accessing health, a large percentage of Nigerians including the poor pay for health care out of their pockets. Access to any service such as health, education, transport etc., is strictly based on ability to individually and personally pay up. Out-of-pocket payment for healthcare services puts majority of Nigerians in a great deal of financial risk and further restricts their direct enjoyment and access to healthcare benefits when needed.

Despite the growth and expansion witnessed over the years in Nigeria, structural changes and the inequalities associated with healthcare are severe even though more hospitals and trained manpower seem available. The above issues are being steadily addressed by Nigeria. Nigeria established a National Health Insurance Scheme (NHIS) to address the issue of access, quality of healthcare service delivery, financing and coverage. The Federal Executive Council gave approval in 1989 to the scheme and directed the Federal Ministry of Health in 1993 to start the scheme. On May 10th, 1999, the enabling decree - Decree 35, was promulgated. On the 6th of June 2005, the formal sector of the social health insurance scheme was flagged off by Chief Olusegun Obasanjo, the then President of the Federal Republic of Nigeria. As at today, the scheme has covered all the federal Ministries, parastatals, agencies, the Nigeria Police Force and the armed forces just as it is also firmly established in the organised private sector. The Objectives of the NHIS are:

- To ensure that every Nigerian has access to good healthcare services
- To protect families from the financial hardship of huge medical bills
- To limit the rise in the cost of healthcare services
- To ensure equitable distribution of healthcare costs among different income groups
- To maintain high standards of healthcare delivery services within the Scheme
- To ensure efficiency in healthcare services
- To improve and harness private sector participation in the provision of healthcare services
- To ensure equitable distribution of health facilities within the Federation
- To ensure appropriate patronage of all levels of healthcare
- To ensure the availability of funds to the health sector for improved services

The major challenges to the scheme are slow growth of the universal coverage scheme, weak provider network, comprising mainly solo and uncoordinated healthcare providers, inadequate, weak and unreliable ICT system, shortage of skilled personnel and inadequate funding.

A ladder to social mobility

Education has been universally acknowledged as a potent and dynamic instrument for national development and social transformation. It is an important instrument for the development of the individual and the society; therefore, it is a weapon against poverty, illiteracy, and diseases. In Nigeria, the importance of education in the development of citizens and the nation at large is highly acknowledged. Education, according to United Nations Children's Fund (UNICEF), is a fundamental human right and the key factor to promoting sustainable development. Education, as seen by Erese (1983), is "a birthright and not a privilege of every citizen of any country". The Nigerian National Policy on Education (2004) defines education as that process that helps to develop the whole being, physically, mentally, morally, politically, socially and technologically to enable individuals function well and contribute meaningfully in any environment in which they may find themselves. As a process, education involves the development of the individual at various levels of educational institutions. The policy added that access to education and training is not only a basic human right but also a key factor for social progress and is needed in reducing the gap between socio-economic groups and sexes. The policy also made provision for equal access to educational opportunities for all citizens at the primary, secondary and tertiary levels of education.¹⁴

Access to education and training is not only a basic human right but also a key factor for social progress and is needed in reducing the gap between socio-economic groups and sexes.

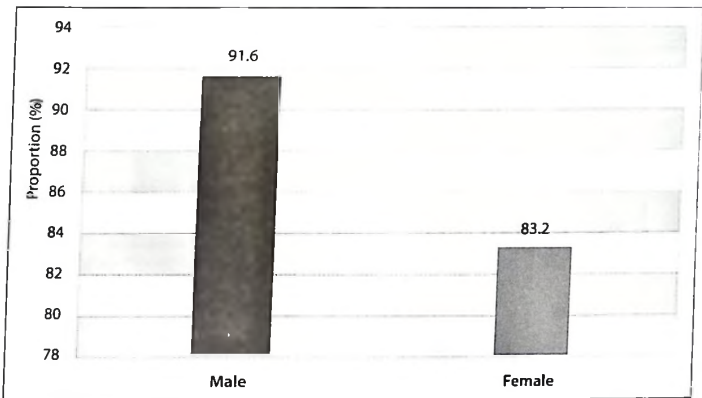
14 Dr. Dorothy Ofoha. Equalizing Educational Opportunity in Nigeria Through Open and Distance Learning. National Open University of Nigeria.

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Equity, according to Obanya (2009), implies equal chances, equal treatment and equal gains. Olanrewaju (1987) argues that biological equality is in consonance with John Locke's and Rousseau's view that all men are equal. As argued by Salawu (1995), the idea of equality means that all persons are born equal and are treated equally irrespective of their social status. However, he added that nature itself initiates inequality and, therefore, not every inequality is unjust. Salawu further argued that educational inequality, arising from difference in choices, ability and virtues are just, while educational inequality prompted by sex, social class, race, state of origin, disability, and religion, are unjust. The idea of equality with reference to education means equal rights for all, irrespective of any circumstances by way of birth, race, sex, tribe, and disability. As stated in the National Policy on Education, Nigeria's philosophy of education is based on the integration of the individual into sound, effective, and equal educational opportunities for all citizens. The philosophical assumption, underpinning the policy is for every Nigerian child to have full access to quality education at all levels. The United Nations and the federal government of Nigeria have recognised education as a fundamental human right. Unfortunately, the right to education and thus equal opportunity to education as a national objective for development has not been achieved.

Over the years, Nigeria has expressed commitment to education with the belief that overcoming illiteracy and ignorance will form a basis for accelerated national development. However, regardless of the incontrovertible evidence that education is crucial to the development of the community and the nation, there remain inequalities in access to education. Despite its potential for levelling opportunities, education is used to perpetrate inequalities. For instance, millions of poor people are still being excluded from the processes and outcomes of education. Concerns have been expressed on the glaring gap between the North and the South with regards to education in Nigeria. While Northern Nigeria is alleged to be educationally disadvantaged, the Southern part is seen as educationally advanced. There is also gender disparity in the system. Likewise are disparities between demand and supply, disparities between urban and rural schools, between educational institutions owned and controlled by the Federal Government and those owned and controlled by the states and private agencies. The list is endless. This is why Teboho Moja (2000) in his assessment of the situation concludes that the entire system reflects privilege and differentiation.

Chart 3.20 Proportions of males and females completing primary six (2012)

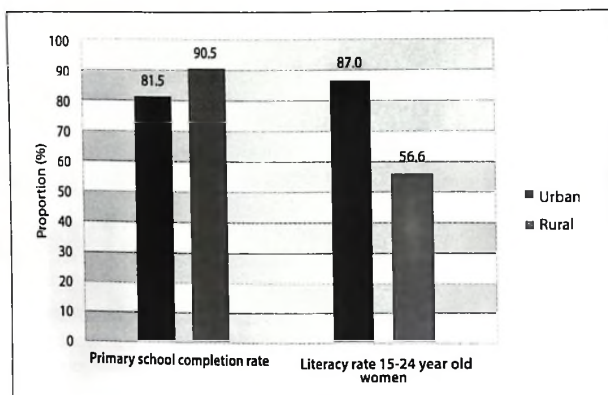


Source: MDG Report 2013, NBS (2013)

There is also gender inequality in primary school completion. At 91.60% in 2012, the male primary school completion rate was higher than that of females, 83.20% (Chart 3.20). While there has been significant improvement in female primary enrolment over the years, there are still bottlenecks with the retention of girls in primary schools, which has resulted in a sizeable gender disparity in completion rates (Chart 3.20). Rural–urban divide in primary school completion and literacy rates likewise exists. The primary school completion rate in rural areas in 2012 stood at 90.50% as compared to 81.50% for urban areas, as shown in Chart 3.21. The higher completion rate in the rural areas could be because most pupils in the rural areas tend to enter the junior secondary schools only after completing primary six, unlike their urban counterparts who generally enter upon completing primary five. The literacy rate among women in urban areas in 2012 (87.0%) was higher than that for women in rural areas (56.60%) (Chart 3.21). Efforts appear to be concentrated on the urban areas rather than on the rural areas as the available incentives seem unattractive to retain literate teachers in the rural areas.

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Chart 3.21 - Proportions of rural and urban children completing primary six and the proportion of females 5-24 years of age who are literate in English (2012)



Source: MDG report 2013 NBS (2013)

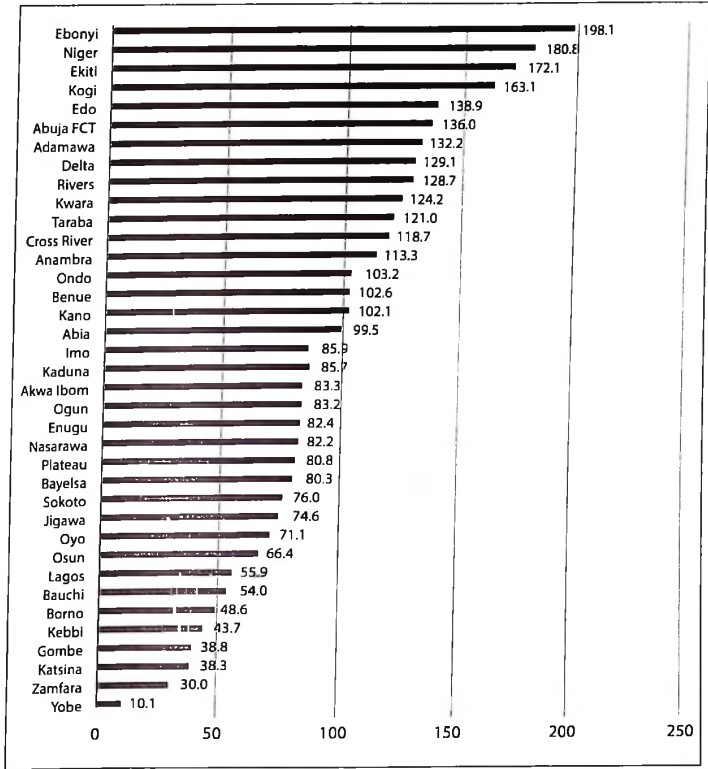
State-level inequalities in primary school completion rate show that many states have primary school completion rates of more than 100% (Chart 3.22). This reflects over-aged and under-aged children, who enter primary school either late or too early, and can also arise from those repeating classes. The primary six completion rate disaggregated by state is presented

in Chart 3.22. While the primary six completion rate is as low as 10.10% in Yobe State, it is 172.10% in Ekiti State. All the bottom seven states on this indicator are in the northern part of the country. Corresponding to the state-level patterns, the available statistics also show that the northeast and northwest zones recorded the lowest primary six completion rates. In addition to socio-cultural constraints, insecurity in the region has remained one of the top contributory factors. Since 1990, the trend has shown an undulating progress in the primary school completion rate. From 58.0% in 1990, the primary school completion rate rose to 82.0% in 2004. In 2005, however, the completion rate decreased dramatically to 69.20%, and thereafter remained steady at 67.50% in both 2006 and 2007. The rate rose again to 87.70% in 2012. In spite of the unstable trend since 1990, the primary

In 2008, for instance, a total number of 998,114 candidates wrote the JAMB exam held across the country. The first six states with the highest number of candidates are all from the south with a total of 38.69% of those that sat for the examination. On the other hand, the last six states with the lowest number of candidates are all from the northwest and northeast with a total of 1.9% of the total who sat for the exam.

school completion target of 100.0% is within Nigeria's reach, as current efforts will be sustained.

Chart 3.22 - Proportion of students completing primary six by state (2012)



Source: National Bureau of Statistics (NBS 2013)

Note: Primary school completion rate may exceed 100% because of over-aged and under-aged children who enter primary school late/too early and/or repeat school years.

There are a number of policy-related bottlenecks to the realisation of full primary enrolment, retention and literacy. States, in particular, have shown different levels of commitment to basic education, as reflected in the low level of integration of early childhood education into public schools and the lack of quality education sector plans which

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identify challenges and solutions to basic education. There is also a lack of accurate data to guide decision-making in the sector in most of the states. Low use of Federal Government/Universal Basic Education (UBE) matching grants by states continue to pose an additional challenge. Use of matching grants has been low over the years as only three states have fully accessed 2012 UBE matching grants and as many as eight states have not accessed the matching grants for three to four years. Also, 17 states have outstanding matching grant balances of between ₦500 million and ₦1.5 billion.

There is also the challenge of the partial exclusion of disadvantaged groups (e.g. Almajiris) in the formal education system. The poor state of the infrastructure and learning materials in primary and secondary schools also continues to pose a major challenge. Elsewhere, the situation is weighed down by inadequate security infrastructure. A special case of the infrastructure challenge is the availability of gender-sensitive facilities (such as toilets). The existence of female toilets has been associated with the increased retention of girls in primary schools, especially in the North. The regional disparities in education are also evident in tertiary education system as shown in the data of candidates that sit for Joint Admissions Matriculation Board Examination (JAMB) to obtain entry into the university.

Table 3.3: Number of candidates that sat for JAMB Examinations 2008 across selected states in Nigeria showing disparity in education between the North and South

S/N	Southern States	Number of Candidates	%	Northern States	Number of Candidates	%
1	Imo	101 201	9.6	Taraba	5 582	0.53
2	Anambra	72 722	6.89	Sokoto	4 962	0.47
3	Delta	71 722	6.73	Jigawa	3 987	0.38
4	Edo	60 714	5.76	Zamfara	3 826	0.36
5	Akwa Ibom	52 635	4.99	FCT	1 726	0.16
6	Abia	49 810	4.72	Yobe	703	0.07
	Totals	408 804	38.69		20 750	1.97

Source: JAMB Records 2008

The above table shows that in 2008, for instance, a total number of 998,114 candidates wrote the JAMB exam held across the country. The first six states with the highest number of candidates are all from the south with a total of 38.69% of those that sat for the examination. On the other hand, the last six states with the lowest number of candidates are all from the northwest and northeast with a total of 1.9% of the total who sat for the exam. None of the above states in the north had more than 0.53% with Yobe, having just 703 candidates (0.07%).

The reasons for the educational disparity between the South and North on the one hand

and the urban and rural areas of Nigeria on the other were espoused by Aluede¹⁵ as follows:

Contact with early missionaries: According to Aluede, the history of educational development in Nigeria explains the cause of educational disparity. Western form of education came into Nigeria through the activities of the missionaries. Abernethy, (1969:27)¹⁶ saw the attraction of the missionaries to Nigeria as “a curious by-product of slave trade.” This greatly determined which areas were to have early taste of western education and the areas that were not to experience early missionary activities. Thus, Kosemani (1993)¹⁷ observed that the British had set up the colony of Sierra Leone in 1784 as a haven for freed slaves. Later, many New World bound slaves, who were rescued by British squadrons, were resettled in Sierra Leone. As it turned out, many of those captured were Nigerians - mostly Yorubas from the Southwest of Nigeria. By 1870, many of them had been converted to Christianity and had become wealthy enough to plan a return to their fatherland. The effect of this movement back home, on Christianity and western education in Nigeria, was tremendous. As slave settlers in Sierra Leone, they had received religious, academic and some technical education and a taste of European way of life. This accident of history brought along with the returnee Nigerians, Christianity. This in turn led the early ex-slave settlers in Abeokuta and other areas in West Africa to request for Christian evangelists to come over and ‘civilise’ the indigenous Africans.

The arrival of the missionaries brought with it western education and civilisation. It should be noted that the areas that did not experience the activities of the returned ex-slaves and of course early contact with the missionaries - who brought with them western education and civilization - were bound to be educationally disadvantaged. The Sokoto Caliphate, excluding some parts of the Middle Belt that were forcefully brought under the caliphate, constituted part of the territory that stood at an educational disadvantage in Nigeria for many years. The above reason accounts for why Bonny (due to the fact that it became a satellite of the missionaries) was educationally advantaged, and Opobo, her neighbour was educationally disadvantaged because King Jaja fervently opposed the missionaries and blockaded its immediate contact with missionary activities, including western education and civilisation.

The important thing is that, the coaster towns that had European settlements had early contact with western education and civilisation while others, who settled in the interior, did not have early contact with the missionaries or the colonial masters. The fact is that

15 Aluede R.O.A. (2006). *Regional Demands and Contemporary Educational Disparities in Nigeria*

16 Abernethy D.D. (1969). *The Political Dilemma of Popular Education*. California: Stanford University Press.

17 Kosemani J.M. (1992). *The Ethnic Factor in Educational Disparity in Nigeria*. *Bensu Journal of Education* 3(1): 15-25.

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early centres of educational development have proved to maintain their initial advantages over relatively long periods. That perhaps may explain why Abeokuta and Ondo areas in Yorubaland tend to maintain their educational lead in Nigeria. This initial disparity in levels of educational development has continued to expand since more advanced regions are able to capitalise on their earlier educational traditions and compound the pattern of relative inequality.

Ethnic factors: The history of educational development in most societies is deeply rooted in ethnicity; hence the current educational imbalance in many countries is to a large extent attributable to ethnicity. Ethnicity has been defined by Nnoli (1980:5)¹⁸ as "social formations distinguished by the communal character of their boundaries. The relevant communal factor may be language, culture or both." He went further to explain that in Nigeria, especially in the South, the need for governmental employment and the increased urbanisation initiated by it demanded a labour force that only the school systems could provide. This according to him, led to the formation of ethnic associations for individual protection and survival in urban areas where the face-to-face relationship of the village or clan was no longer possible. It was the desire to protect their future economic and political position that led to the increase in the education base of the various groups. Ethnic associations were thus compelled to initiate actions from their bases in urban centres for the expansion of the modern type of education among their ethnic group. The awareness that the future of the various ethnic groups was to be determined by their level of educational development made ethnic associations to establish secondary schools and sponsor selected promising students overseas for university education. In a way, education became a motivational complex for ethnic solidarity and identification and the various ethnic associations gave priority to educational programmes and propaganda.

The prominent ethnic groups in the race for provision of secondary schools were the Ibibio's State Union that established Ibibio College at Ikot Ekpene in 1946; the Ibo Union, established Ibo National College, Aba in 1948; Urhobo Brotherly Society established Urhobo College, Efurun, in 1949; Ijesha Improvement Union established Ijesha High School, Ilesha in 1934; and later Ijebu-Ijesha Grammar School in 1955 (Kosemani 1992). Other ethnic groups followed the examples in due course.

Economic factors: The existing historical and ethnic factors were further complicated by economic factors. The growth of industries brought about urban and rural settlements. The companies attracted educated men and women as workers in the industries. These workers on their parts struggled to ensure that their children received good education. This brought about a situation where schools in urban areas were well staffed, equipped

18 Nnoli, O. (1980). *Ethnic Politics in Nigeria*. Enugu: Fourth Dimension Publishers

and financed while rural schools experienced poor staffing, furnishing and financing. In some cases, teachers refused transfer to rural areas (Aluede, 1998).¹⁹ Also those areas that experienced sales of cash crops in Nigeria had farmers who could pay the fees of their children in schools overseas in the late 1950s and early 1960s. This is evident by the activities of the cocoa farmers and traders in Western region, the palm oil farmers and traders in the Eastern region and in the Southern minorities. The favourable economic activities that took place in those areas made them have educational advantage over their neighbours who did not experience economic boom.

Political factors: Education is generally expected to bring about changes in the society and if education is to promote change, it is important to define what the change should be. Kosemani (1996) argued that it is invariably politicians who take the decision on the course of the envisaged change. Equally, in the normal situation, political systems invariably influence what goes on in the school system. Educational systems are influenced and even dictated in Nigeria. Politics brought about disparity in the educational development of regions. The political activities of the 1950s - 1960s brought about changes in educational development. The Macpherson Constitution of 1951 sowed the seed of disparity in terms of educational development. It among other things, gave powers to the regional governments to pass laws on education. The result of this was the presentation of a comprehensive proposal for the introduction of free universal and compulsory primary education otherwise known as Universal Primary Education (UPE) to the Western House of Assembly by Chief Obafemi Awolowo.

(With) the introduction of free universal and compulsory primary education otherwise known as Universal Primary Education (UPE) to the Western House of Assembly by Chief Obafemi Awolowo... in January, 1955 the population of school pupils increased in the Western Region, including the Mid-West area and the Eastern region. There was, however, no such increase in the number of school pupils in Northern Nigeria.

The implementation of the programme took effect in the Western Region in January, 1955. The Eastern regional government also planned for the UPE which took effect in 1957. The implication of this for educational development in Nigeria was that the population of school pupils increased in the Western Region, including the Mid-West area and the Eastern region (Okonkwo, 1989)²⁰.

There was, however, no such increase in the number of school pupils in Northern Nigeria.

19 Aluede, R.O.A. (1998). A Comparative Analysis of Some Compensatory Education Schemes in Australia, Canada, Nigeria and the United States of America. Unpublished doctoral dissertation, Port Harcourt: University of Port Harcourt.

20 Okonkwo, C.E. (1988). Introduction to Comparative Education. Owerri: Totan Publishers Limited.

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This view was aptly reported in the Ashby Report (1960:9). The report puts the scenario in perspective when it stated: "In the East and West, it can be assumed that the majority of children of school age will complete primary education; in the North only about one in eleven children of school age are at school and in some areas, the proportion is as low as one in fifty". This signals inequality in educational development which was again perpetuated in Nigeria by subsequent political activities. During the second Republic, the Unity Party of Nigeria (UPN) won in the then Western Region and in the Mid-West. The party, like the former Action Group of the Western Region, promised the electorates free education at all levels. This they effected and between 1979 and 1984, there was a sudden increase in enrolment in primary, secondary and university education. The Eastern region experienced similar development while Northern Nigeria that was predominantly members of the National Party of Nigeria (NPN) did not give free education at all levels. This latter development contributed to the already existing inequality in educational development.

Culture: The differences in the cultural pattern of the peoples of Nigeria are reflected in educational development. In fact, culture dictates the level of educational development in societies. The Christian missionaries came to the coastal towns of Nigeria from where they moved into the interior, to places where they later settled at Abeokuta, Calabar, Ikot Ekpene and much later, Onitsha, Enugu, Ibadan and the then Mid-West with their religion and culture. While the people of southern Nigeria continued to imitate the missionaries, acquire their education and religion and even dressed like them, the people of northern Nigeria adopted the Islamic pattern. The Puddah system further deprived their women and girls access to western education. This, on its own, accounts for the disparity in the level of educational development between the people of northern Nigeria and those in southern Nigeria. Furthermore, the nature of the social life in the South made the people accept their European visitors easily. They easily accepted what other cultures had to offer because it was the open type. This made them to benefit from what other people had developed, which they considered superior to their own, that is, the indigenous culture. But in the North, as a result of their religion and the culture that the people had acquired over the years, they did not allow a mix up of their children with other children. This in a way deprived them of the opportunity of learning from others.

Moreover, the type of education that came to be popular in Nigeria is the Western education, which came with the missionaries to southern Nigeria thereby putting the people of that region at an educationally advantaged position compared with their northern neighbours that had Arabic education which was relegated to the background. The point to be noted here is that the North perhaps would have been the educationally advantaged group if Arabic education had been the model which Nigeria as a country, adopted. However, this imbalance in education remained a problem for many years without immediate solution in Nigeria.

The ticking time bomb

At least since Aristotle theorists believe that political discontent and conflict depend not only on the absolute level of economic wealth, but also its distribution, most studies of inequality and conflict relate somehow to the theory of relative deprivation (Gurr 1970)²¹. United States Institute of Peace (USIP) defined relative deprivation as the discrepancy between people's 'value expectations' (the goods and services people feel entitled to) and the 'value capabilities' (the goods and services they believe they are capable of obtaining). The larger the discrepancy between these two, the stronger the feeling of frustration. This theory argues that while absolute poverty may lead to apathy and inactivity, comparisons with those in the same society who do better, may inspire radical action and even violence. On the other hand, those who view mobilisation as the key to civil unrest tend to minimise the importance of inequality, arguing that such grievance factors are, for the most part, always present in every society (Tilly 1978)²². Since Russett (1964)²³ in his seminal article found a positive (moderate) relationship between land inequality and conflict, scholars have performed statistical analyses in an effort to determine the relationship between inequality and political conflict.

Addressing inequalities is important – not only for peace and security to thrive but also for economic growth, development and Millennium Development Goals (MDGs) achievement. Horizontal inequalities increase the risk of violent conflict, and violence and conflict can worsen inequalities.

Horizontal inequalities is defined as inequalities among and between groups. It raises the risk of violent conflicts. Horizontal inequalities can have economic, social, political, cultural, security or judicial dimensions, but they are particularly important as drivers of conflict when a number of these dimensions coincide. The pre-dominant form of violent conflict has changed dramatically in recent decades from national armies, fighting each other (inter-state wars) to armies fighting for independence, separation or political control (intra-state or civil wars); and various forms of violence, involving non-state actors, such as rebels, gangs and organised crime (World Bank, 2011)²⁴. There are countless little wars with no front lines, no battlefields, no clear conflict zones and no distinctions between combatants and civilians (Reno, 2011). Violence might involve rag-tag reb-

Analysis of inequality should focus on inter-group variation. Even though an individual may feel frustrated if he is economically disadvantaged, he will not start a rebellion on his own. Civil wars are organised group conflicts.

21 Gurr (1970) Gurr, T.R. (1993). *Minorities at Risk: A Global View of Ethnopolitical Conflicts*.

22 Tilly, Charles. (1978). *From Mobilisation to Revolution*. New York: Random House

23 Russett, Bruce M. (1964). Inequality and Instability: The Relation of Land Tenure to Politics. *World Politics* 16 (3): 442–454

24 World Bank. (2011). *World Development Report: Conflict, Security & Development*. Washington DC.

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els, gangs, criminals and lead to high homicide rates. In fact, in a number of Central American countries, homicide rates are higher at present than during the American civil wars (World Bank, 2011). Yet, violence in all its forms, threatens people's security and endangers countries' development. We therefore are not merely focused on violent conflict involving states (either intrastate or civil wars), but we are taking a broader view on violence. We use the term "organised violence". This was defined by the 2011 World Development Report as "the use or threat of physical force by groups", which "includes state actions against other states or against civilians, civil wars, electoral violence between opposing sides, communal conflicts based on regional, ethnic, religious or other group identities or competing economic interests, gang-based violence etc. It is unusual for violence to be explicable in terms of any single cause. Drivers of violence can be political, economic, social and environmental. They can include socio-economic inequalities, injustice, joblessness, natural resources management, human rights abuse, political exclusion and corruption. In many cases, it is difficult to define clear causes, drivers or triggers, and different factors of horizontal inequalities as they are inter-related or might morph into each other and change over time.

While the drivers of violent conflict are varied and complex, the importance of inequalities as a cause of violent conflict has long been recognised, from Aristotle to the United Nations Charter. "Horizontal inequalities," as defined by Frances Stewart, mean: "severe inequalities between culturally defined groups" (Stewart, 2002, p.3²⁵). These types of inequalities are different from the "normal definition of inequality which lines individuals up vertically and measures inequality over the range of individuals" (Stewart, 2002, p.3). There are several types of horizontal inequalities (HIs). The first is economic, which includes "inequalities in access to, use of and ownership of assets – financial, human, social or natural resources – and inequalities in income levels and employment opportunities" (Stewart, 2010, p.2)²⁶. The second is social, which consists of inequalities in access to a range of services such as education, healthcare and housing (Stewart, 2010). The third type is political, which considers the distribution of political power and access to political participation. The fourth horizontal inequality can relate to cultural aspects and disparities in the recognition and standing of different groups' language, religion, customs, norms and practices (Stewart, 2010). Finally, there can be inequalities in access to security and justice.

25 Stewart, F. (2002). Horizontal Inequalities: A Neglected Dimension of Development (Working Paper No. 81). Retrieved from QEH Working Paper website: <http://www3.qeh.ox.ac.uk/pdf/qehwp/qehwps81.pdf>

26 Stewart, F. (2010). Horizontal inequalities as a cause of conflict: A review of CRISE findings. Background Paper for the World Bank's World Development Report 2011, Centre for Research on Inequality, Human Security and Ethnicity (CRISE), Oxford University

In order to resolve the inequality-conflict puzzle, an important question to explore is how inequality matters. Stewart (2002) argues that quantitative assessments of inequality and conflict tend to neglect a vital dimension of human well-being and social stability—the group dimension. Sen (1992, 117)²⁷ concurs that analysis of inequality should focus on inter-group variations. Even though an individual may feel frustrated if he is economically disadvantaged, he will not start a rebellion on his own. Civil wars are organised group conflicts. That is to say, they are not a matter of individuals randomly committing violence against each other. Based on a series of case studies, Stewart (2002) argues that inequalities coinciding with identity cleavages, or 'horizontal inequalities,' may encourage group grievances and thus facilitate mobilisation for conflict. A shared identity may overcome collective action problems (Olson 1965), but a shared group identity is not likely a sufficient factor to produce violent conflict.

Violence in northern Nigeria has flared up periodically over the last 30 years. Mainly in the form of urban riots, it has pitted Muslims against Christians and has seen confrontations between different Islamic sects. Although there have been some successes in conflict management in the last decade, the 2009 and 2010 troubles in Bauchi, Borno and Yobe states, involving the radical Boko Haram sect show that violence still may flare up at any moment. If the situation were to deteriorate significantly, especially on Christian-Muslim lines, it could have serious repercussions for national cohesion in the build up to future national elections. To deal with the risks, community level initiatives need to be reinforced. A more subtle security response should be formulated and the management of public resources must be improved. While some in the West panic at what they see as growing Islamic radicalism in the region, the roots of the problem are more complex and lie in Nigeria's history and contemporary politics.

Violent conflict, whether riots or fighting between insurrectional groups and the police, tends to occur at specific flashpoints. Examples are the cities of Kaduna and Zaria, whose populations are religiously and ethnically very mixed, and the very poor states of the far northeast, where anti-establishment groups have emerged. Many factors, fuelling these conflicts are common across Nigeria. In particular is the political manipulation of religion and ethnicity and disputes between supposed local groups and "settlers" over distribution of public resources. The failure of the state to maintain public order, to contribute to dispute settlement and to implement post-conflict peace-building measures is also a factor. Economic decline and absence of employment opportunities, especially as inequality grows, likewise drives conflict. As in other parts of Nigeria, the North suffers from a potent mix of economic malaise and contentious community-based distribution of public resources.

27 Sen, Amartya. (1992) *Inequality Reexamined*. New York: Clarendon.

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Nigeria has been bedevilled by ethno-religious conflicts with devastating human and material losses since the return of democracy in 1999. But the Boko Haram uprising since July 2009 is significant in that it not only sets a precedent, but reinforces attempts by Islamic conservative elements at imposing a variant of Islamic religious ideology on a secular Nigerian state. Whereas the religious sensitivity of Nigerians provided fertile ground for the breeding of the Boko Haram sect, the sect's blossoming activities could also be said to have been aided by the prevailing economic dislocation in Nigerian, vis-a-vis the introduction of party politics and politics of anxiety, the associated desperation of politicians for political power, and the ambivalence of some vocal Islamic leaders, who, though did not actively embark on mutiny, but did nothing to impede it from fomenting havoc but only feebly condemned it. These internal factors coupled with growing Islamic fundamentalism around the globe made a highly volatile Nigerian society prone to violence, as evidenced by the Boko Haram uprising.²⁸

Much local-level conflict prevention and resolution does occur. For a vast region beset with social and economic problems, the absence of widespread conflict is as notable as the pockets of violence. Some state authorities have done good work on community relations, but the record is uneven. At the federal level, clumsy and heavy-handed security responses are likely to exacerbate conflicts in the future. More fundamentally, preventing and resolving conflict in the far North will require far better management of public resources, an end to the distribution of resources according to ethnic identity and job-creating economic revival.²⁹

To fight poverty and inequality, the following need to be urgently addressed.

Unemployment

Unemployment is a major factor contributing to poverty in Nigeria. There is a strong correlation between unemployment and poverty. When people are unemployed, their source of livelihood depletes over time. The cost of living becomes high and the standard of living goes down. There are many people in Nigeria who lack the opportunity of being employed. Education, once seen as the surest, undisputed gateway to employment, no longer looks so certain in Nigeria with the high level of graduate unemployment. The fact that you are an educated Nigerian is no guarantee that you will be employed. Many graduates in Nigeria wander the streets without anything reasonable to do for a living. Employment in Nigeria is usually not based on merit but depends on how connected you are with the

28 Anyadike, Nkechi O. *Boko Haram and National Security Challenges in Nigeria; Causes and Solutions*

29 (20 December 2010) *Northern Nigeria: Background To Conflict Africa Report N°168* – International Crisis Group

powers that be. This leaves many highly qualified people in poverty as seemingly no one cares about their capabilities. These people are missing out on the income they would have gotten if they were employed. The number of quality jobs in the economy is low and many government resources are misallocated. Unemployment-induced poverty tends to increase the crime rate and violence in the country. Most unemployed youths resort to crimes such as armed robbery, kidnapping for ransom, internet fraud, advance fee fraud and other forms of fraudulent activities. If graduates have to live with unemployment, it can only be imagined the deplorable situation of those who are not so educated.

Corruption

Transparency International defines corruption as “the abuse of entrusted power for private gain.”³⁰ This has become a common act in Nigeria and it has destabilised the political system drastically. Government funds are being misappropriated on a daily basis by the leaders, who only put the interest of their family and friends at heart while ignoring the masses. Corruption has eaten so deeply into the government and economy that everyone seems to be blinded by it. Corruption has almost become an accepted way of life in Nigeria. In Nigeria, the government’s income is generated mostly from natural resource revenues. This income, instead of being used for developmental purposes, is then circulated among political office holders and their families, leaving the rest of the people to wallow in poverty. Political leaders practically ignore the affairs and well-being of their people who elected them into office. Funds are mismanaged and wrong policies and laws are passed and implemented to bloat the cost of government and reduce available resources to improve the standard of living of the people.

Non-diversification of the economy – Overdependence on oil

While Nigeria’s poverty has been identified to be caused by many factors, Nigeria’s non-diversification of the economy can be seen as a major factor. Before 1970, the Nigerian economy was driven by the agricultural sector. The oil sector, which only constituted 1% of the country’s export revenue in 1958, rose to 97% by 1984 and has since then not gone below 90%. In 2008, the oil and gas sector constituted about 97.5% of their export revenues, 81% of government revenues and about 17% of the GDP.³¹ In Nigeria, those in power have practically ignored other sources of income, and today, Nigeria depends heavily on oil export. This dependency on natural resources is often referred to as “Dutch disease”, whereby natural resources make a country less competitive. Excluding the few working in the oil sector, the majority of the people have been impoverished as their products have become irrelevant. The agricultural sector, which was their major means of income before the discovery of oil, is considered

30 See http://www.transparency.org/news_room/faq/corruption_faq

31 <http://www.nigerianstat.gov.ng/index.php/pages/sectorStatistics>

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almost useless. Beyond the “Dutch disease”, Nigeria’s abundance of natural resources has led to what is known as a resource curse, which is reflected in the “Niger Delta Crisis” (reflecting the region of the country’s major source of oil). The people in this region are fighting for resource control as they claim the government is not fulfilling their promise of giving them the large part of the oil revenues. The wealth from natural resources in Nigeria is supposed to be distributed according to the derivation policy, but this policy is not functional in any way, as the oil-producing states are still impoverished and this policy is supposed to work in a way that the states with these natural resources should be able to get a large part of the country’s revenue, as they contribute a lot to the national wealth.

According to Collier (2007), resource wealth sometimes contributes to a conflict trap and the surplus from natural resource exports reduces growth. He goes on to discuss the case of Nigeria in the 1970s, when other exports of the country like agriculture became non-profitable due to increased oil revenues. He explains how the “Dutch disease” can damage the growth process by closing out on the exports in other promising sectors of the economy. The first half of the 1980s gave rise to a huge oil boom in Nigeria and also led to excessive government borrowing and investment on wasteful projects that made corruption in the country more apparent.

As the world price of oil crashed in 1986, Nigeria’s oil revenues reduced drastically and Nigeria’s external debt increased with the introduction of the Structural Adjustment Programme (SAP). The relatively low contribution of the oil and gas sectors to GDP has been due to the ongoing security crisis in the Niger Delta region. According to Nigeria’s National Bureau of Statistics³², the share of the oil and gas sector in the GDP has typically been between 25% and 30% in most of the recent years. Government reforms were advocated by the international financial institutions to reduce Nigeria’s oil dependency, but despite increased national output in non-oil sectors, poverty and social indicators worsened, as most of the revenues generated were used for servicing Nigeria’s external debt. Nigerians have blamed the soaring poverty level (despite the increase in output) on the introduction of the reforms and policies in the late 1980s. Nigerians hence came to the conclusion that there was a conspiracy by the world financial institutions to take their country down.

In Nigeria, there is no safety net other than the extended family system in which people look up to their immediate and distant relatives based on the generosity of their heart.

32 (<http://www.nigerianstat.gov.ng/index.php/pages/sectorStatistics>)

Laxity

Laziness is a common disease, which is virtually suffered by many Nigerians today, especially those from wealthy households. Everyone wants to be comfortable and live a good life but they are not ready to work towards it. This attitude has even been engrained in our brains by the Yoruba cultural saying of “Ise kekere, owo nla”—less work, big money. This literally entails expecting to get something for nothing or getting more out of the system than you put into it, amounting to fraud and embezzlement. This can only lead to poverty and inequality.

Poor education system

Education can play a major role in reducing poverty. According to the World Bank, education is central to development. It promotes economic growth, national productivity and innovation, and values of democracy and social cohesion. In Nigeria, the population with no education accounts for those who are most impoverished. The education system in Nigeria can be regarded as a failure compared to other countries in the world. The United Nations Universal Declaration of Human Rights (UDHR) states that “everyone has the right to an education.” This right to education has been denied many Nigerians, many of who can even be considered invisible to the society now. This deprivation of education applies more to females than males because they are considered the inferior sex. Hence educating them is seen as unnecessary as they are expected to marry as early as possible.

In the developed world, there is a welfare system that helps create a safety net to help the poor. In Nigeria, there is no safety net other than the extended family system in which people look up to their immediate and distant relatives based on the generosity of their heart. Even this is purely discretionary and unsatisfactory. Even where there is a welfare system, it cannot alleviate poverty. The only way to end poverty is to pursue growth and distribute its results in an equitable manner. Asia’s example over the past half-century teaches that there are two critical ways to raise incomes: create jobs and more jobs. The way to do that is to boost economic growth. When nations like China set in place the market-friendly policies to supercharge their growth rates, poverty melted away. In 1981, as documented by the World Bank, about 52% of the population of the developing world lived on less than \$1.25 a day. By 2008, that share had shrunk to 22%, owing largely to gains made in Asia.³³ This is a clear

The Marshall Plan generated a resurgence of European industrialisation and brought extensive investment into the region...Nigeria must emulate the Marshall Plan example and take a bold step to end regional inequalities.

33 <http://www.samachar.com/Bridging-the-Wealth-Gap-ofiqQBegeba.html> Michael Schuman Time Magazine May 19 2014

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and successful approach to take and therefore requires a more detailed discussion. It is also very important that a special and grand regulation programme be put in place for the northwest and northeast. Such an action should be akin to the Marshall plan which the United States structured out for Europe after the Second World War. Europe was devastated by years of conflict during World War II. Millions of people had been killed or wounded. Industrial and residential centres in England, France, Germany, Italy, Poland, Belgium and elsewhere lay in ruins. Much of Europe was on the brink of famine as agricultural production had been disrupted by war. Transportation infrastructure was in shambles. The only major power in the world that was not significantly damaged was the United States. The European Recovery Programme (nicknamed the 'Marshall Plan') was set up by Congress in March 1947 to "support free peoples who were resisting attempted subjugation by armed minorities or by outside pressures". The programme was geared towards returning normal economic health to the world, without which there could not have been political stability and assured peace. The policy was directed not against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose was the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions could exist. Marshall Aid had a huge effect on Europe.

The years 1948-1952 were a time of massive economic growth. It also stopped the spread of Communism. One of the hungry teenage boys in Germany who was given soup by American trucks driving onto his schoolyard, was Helmut Kohl, who grew up to be the first Chancellor of a free and unified Germany. The Marshall Plan generated a resurgence of European industrialisation and brought extensive investment into the region. It was also a stimulant to the U.S. economy by establishing markets for American goods.³⁴ Nigeria must emulate the Marshall Plan example and take a bold step to end regional inequalities. It is very important to know that in order to build a nation that is economically vibrant, Nigeria cannot afford to leave anyone behind. There can be no peace without economic and social justice. This can only be achieved when there is economic and social generality. For emphasis, governments at all levels should vibrantly put hands together to introduce free and compulsory primary education with strong legislation of severe sanctions for parents, who decline to send their children or wards to school, starting from the Northeast and Northwest geo-political zones of the country.

34 <http://www.marshallfoundation.org/TheMarshallPlan.htm>

PART

2

Reversing economics of retrogression

“

There are clear relationships between economic freedom and numerous positive economic and social indicators, the most prominent being the strong relationship between the level of economic freedom and the level of prosperity in a given country.... The prosperity that flows from economic freedom results in greater access to education, reduced illiteracy, increased access to health care, food supplies, and longer life.

”



In Chapter 4, the paradox of growth without development is discussed with economic freedom highlighted as the panacea to enhance economic growth, reduce poverty, improve and raise the standard of living of the people. These are examined alongside the pillars that underpin economic progress and are advocated for adoption and localisation in a manner that would replicate them as home-grown.

In Chapter 5, the elements of competition are discussed, particularly as global competitiveness is imperative in underpinning economic growth of nations. Nigeria needs to grow out of being a factor-driven economy to an efficiency-driven economy as a first step if progress is to be made. The need to move out of this class should be the focus of government economic policy.

The economic history of Nigeria is traced in Chapter 6 and it is posited that, the “scape goat economics” policies of the past represented in the attempts at control of the market rather than allowing the Adams Smith “invisible hand” to efficiently and effectively allocate resources, only hindered the country until the Structural Adjustment Programme (SAP) came in to stem the tide. The ultimate goal is to enhance the ease of doing business so as to make Nigeria an attractive investment destination.



CHAPTER FOUR

Garbage in garbage out

*Freedom is actually a bigger game than power.
Power is about what you can control. Freedom is
about what you can unleash*
– Harriet Rubin

- The paradox of growth without development
- First, the big picture
- Calling a spade a spade
- The Singapore story
- Support and help the poor, however small
- Aim high, join the club

The paradox of growth without development

With a population of 170 million people, Nigeria being the most populous country in Africa, accounts for 47% of West Africa's population. It is also the biggest oil exporter in Africa, with the largest natural gas reserves in the continent. With these large reserves of human and natural resources, the country ought to have a prosperous economy, instead it is only known for its potentials which have not materialised. The economy has grown, however, between 2003 and 2010 at about 7% as shown in Table 4.1. This rather impressive high rate of economic growth has not helped to reduce the rising rate of unemployment particularly amongst the youth in the country. Unemployment is at roof top and at crisis proportions, fuelling the impression of an economic growth without jobs.

At the macro level, the country appears to be doing well but as it affects the daily lives of the people, there is minimal progress, because the growth rate has not impacted in the reduction of the high rate of poverty and unemployment in the economy.

Similarly, the poverty rate, as has been extensively discussed is also uncomfortably very high. The country is currently facing challenges of poor infrastructure as well as an unending crisis in the power sector, which has affected the entire economy with the

multiplier effect seen in virtually every sector of the economy. The quality of education and health is also very poor and even on the downward trend. The existence of a high growth rate, high unemployment and high poverty rate present a paradox in the economy. At the macro level, the country appears to be doing well but as it affects the daily lives of the people, there is minimal progress, because the growth rate has not impacted in the reduction of the high rate of poverty and unemployment in the economy. Given all that has been said, there is great unease with regards to the situation that the country faces. But there is a very simple explanation and remedy, which is that the economic growth has benefited only a few and there has to be an inclusive growth in order to create jobs and improve the standard of living of the citizens.

When decision-making is self-seeking and does not adequately take care of the people, who are the real wealth of a nation, the result is a government that does not focus on the basic objective of development, which is the creation of an enabling environment for people to thrive, enjoy long, healthy and creative lives. There are two key issues that should always be borne in mind. Firstly, the link between economic growth and human development is not automatic. There has to be specific policies to generate positive and desirable results that should be regularly and strictly interrogated. The roads to a better tomorrow lie in the articulation of this interrogation and the willingness and success to learn lessons and chart a new and better course that is so dictated. For this to happen, the leaders must think less of those things embedded in the country's history that create differences and stunt its growth and development, and think more about the future and the opportunities engrained in the potentials waiting to be maximised.

There are two kinds of rulers around the world: those who think about the past and those who think about the future... (Rulers) should not think backward but forward

According to Fared Zakaria, "there are two kinds of rulers around the world: those who think about the past and those who think about the future. But history is bunk, as Henry Ford said. By that he did not mean that it was unimportant but rather that people should not be trapped by it, that they should think not backward but forward". His exact words were: "History is more or less bunk. It's tradition. We don't want tradition. We want to live in the present, and the only history that is worth a tinker's dime is the history that we make today. The history that leaders make today has much less to do with geography or constraints from the past. When Singapore was expelled from Malaysia in 1965, the experts said the small, swampy town in the middle of nowhere could not survive as an independent country. It is now one of the world's greatest trading hubs, with a per capita income higher than that of its erstwhile coloniser, Britain. That's because its founder, Lee Kuan Yew, thought less about the disadvantages of history and more about the advantages

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of the future. When the nationalist Chinese were abandoned by the world on a tiny island after the communist revolution in mainland China, most assumed the place would not survive. Yet in the most precarious position, with zero natural resources, Taiwan became one of the world's fastest-growing economies for four decades. There are those who are still trapped by history and geography. Think of Pakistan's generals, still trying to establish "strategic depth" in their backyard while their country collapses"¹.

Table 4.1: GDP growth (Annual %)

Economy	2009	2010	2011	2012	2013
Botswana	-7.8	8.6	6.1	4.2	-
Brazil	-0.3	7.5	2.7	0.9	-
Ghana	4	8	15	7.9	7.9
India	8.5	10.5	6.3	3.2	3.8
Indonesia	4.6	6.2	6.5	6.2	5.3
Malaysia	-1.5	7.4	5.1	5.6	4.7
Nigeria	7	8	7.4	6.6	6.2
Singapore	-0.8	14.8	5.2	1.3	3.5
South Africa	-1.5	3.1	3.5	2.5	-
South Korea	6	6.3	3.7	2	-
Nigeria Rebased	7	8	7.4	6.6	6.8
Sub Saharan Africa	2.8	5.3	5.3	4.8	5.8

Source: World Development Indicators (WDI), October 2013, NBS

The Nigerian leadership needs to free itself from the numerous constraints, which make people think more of sharing the national cake and less of the baking. The self-indulgent attitude of winner takes all in a centralised unitary system bequeathed by the military, who applied it in their time and in the ways of their profession, should give way to a decentralised

One of the great lessons of this recent decade is that competitive markets are the best guarantee for human development. They open up opportunities for creative enterprise.

political and economic system that will unleash individual freedoms. The Nigerian experience is a powerful reminder that the expansion of output and wealth is only a means. The end of development must be human well-being. How to relate the means to the ultimate end should once again become the central focus of development analysis and planning. The key questions should be: How can economic growth be managed in the overall interest of the people? What political, economic or social alternative policies and strategies need to be pursued if people, not commodities, are the principal focus of national attention?

1 <http://time.com/#13805/looking-back-in-anger/>

Secondly, economic development can be sustained only by unleashing the creative energies of all people through competitive and efficient markets. Relatively, political development requires the democratic participation of all people in shaping their own destiny. One of the great lessons of this recent decade is that competitive markets are the best guarantee for human development. They open up opportunities for creative enterprise, they also increase the access of people to a whole range of economic choices. The current growth rates can be doubled if development is focused on investment in education, health, social services and the creation of economic opportunities for all. This means development by people, requiring participatory approaches.

Table 4.2: GDP per capita (Current US \$)

Economy	2009	2010	2011	2012
Botswana	5 178	6 980	7 697	7 238
Brazil	8 373	10 978	12 576	11 340
Ghana	1 097	1 326	1 594	1 605
India	1 147	1 419	1 534	1 489
Indonesia	2 272	2 947	3 471	3 557
Malaysia	7 278	8 754	10 058	10 432
Nigeria	1 091	1 437	1 496	1 555
Singapore	38 923	42 784	47 268	51 709
South Africa	5 758	7 266	7 943	7 508
South Korea	16 959	20 540	22 388	22 590

Source: World Development Indicators (WDI), October 2013, NBS

The link between economic growth and human development breaks down when the poor have limited access to credit, capital, technology and other production inputs. There must be a tangible and concerted effort to go beyond basic concerns of human survival, which are even currently not addressed. We must make efforts to focus on them and even go beyond to invest heavily in all levels of human capital formation, particularly in technical and managerial skills. Unless there is added focus to acquire greater control over the expanding “knowledge industry”, the journey will remain tortuous and the country will languish for a long time in the backwaters of low-value-added production.

Public policy should provide a framework combining private initiative, energetic entrepreneurship and the efficient functioning of national and international markets with well-defined policies and targets for human development.

So, what are the steps that must be taken to tap the potentials of the economy and make it

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grow faster on the one hand, and make such growth inclusive and fully responsive to the needs of the people on the other? It is posited that the necessary steps should include a more open government based on respect for human rights and on wider participation, in political life and in development planning. Public administration should run with greater transparency and accountability. Public policy should provide a framework combining private initiative, energetic entrepreneurship and the efficient functioning of national and international markets with well-defined policies and targets for human development.

Table 4.3: GDP per capita growth (Annual %)

Economy	2009	2010	2011	2012
Botswana	-8.7	7.6	5.2	3.3
Brazil	-1.2	6.6	1.8	0
Ghana	1.4	5.5	12.4	5.6
India	7.1	9.1	5	1.9
Indonesia	3.2	4.8	5.1	4.9
Malaysia	-3.2	5.6	3.4	3.9
Nigeria	4.1	4.9	3.9	3.6
Singapore	-3.7	12.8	3	-1.1
South Africa	-2.6	1.7	2.2	1.3
South Korea	-0.2	5.8	2.9	1.6

Source: World Development Indicators (WDI), October 2013, NBS

First, the big picture

What discerning investors see (in Nigeria) is abundant opportunities to invest profitably and successfully. Opportunities abound everywhere.

More people should be lifted out of poverty just as the number of middle class citizens also needs to be broadened.

The announcement that Nigeria is the largest economy in Africa and the 26th largest in the world with a GDP per capita of \$2,688 after rebasing (\$1,555 in 2012 before rebasing), shows the wide deficit between economic growth as represented by increased GDP and the per capita income, which is relatively low, given the resources that the country possess. The country needs to come to terms with this yawning gap very quickly and must now work hard to match the size of its economy with an effort to make it work for the generality of its people. Income inequality should be tangibly reduced such that the size of personal income of the people should witness a positive growth. More people should be lifted out of poverty just as the number of middle class citizens also needs to be broadened. The race to bring the basic necessities of life to the average Nigerian should be accelerated. As the biggest economy in Africa, Nigerians

should, as a right, not take constant electricity, clean water and efficient transport system for granted. The current growth rate in per capita GDP set out in Table 4.3, although quite impressive, will not support the attainment of these goals and will have to be significantly improved upon. Besides, the institutions should be made to function properly, the legal system should improve and the image of Nigeria as a by-word for corruption, fraud and mismanagement should begin to change. Corruption on the other hand should be tackled with vigour and honest intention.

What discerning investors see is abundant opportunities to invest profitably and successfully. Opportunities abound everywhere. From the virgin lands awaiting mechanised farming techniques and irrigation, the power sector now open to investment on its privatisation to the transportation sector, demanding efficient linkages, opportunities for a higher than normal return on investment abound. Nigerians are ready to pay for access to the good things of life if investors are encouraged to provide that access, ranging from modern and well equipped hospitals to standard schools etc. A major factor, lacking is access and not the willingness and ability to pay for good service.

Nigerians are ready to pay for access to the good things of life if investors are encouraged to provide that access, ranging from modern and well equipped hospitals to standard schools etc.

A good example is electricity. Consider the cost of private provision of electricity ranging from the cost of a generator of any size (which varies with the size of individual income level and electrical conditions), fuelling (either diesel or petrol, which are expensive despite Nigeria being an oil exporter and petrol being subsidized) to maintenance. It is very easy to see that the unit cost of private provision is much higher than if an entity or government steps in to provide access. This is the same for the provision of water, security, transport etc. Those who have experienced the London Underground transport system, (with one train moving hundreds of commuters at once, and running every two minutes during rush hours) should be able to appreciate the need for efficient and effective access to an efficient and effective transport system at reduced cost per service, in contrast to individual provisions that are usually very expensive and inefficient. The challenges to be surmounted are gargantuan and require huge political will. This is particularly true as this change involves a complete paradigm shift by the leadership of the nation, starting at two key levels.

The highest levels of economic freedom should project a society where there is absolute right of property ownership; full freedom of movement of labour, capital, and goods; and an absolute absence of coercion or constraint of economic activity beyond that which is necessary for the protection and maintenance of liberty itself.

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Firstly, economic freedom must take a centre stage in economic liberalisation in the pursuit of economic growth and development. The pursuit of a sustainable increase in economic growth is one of the most important goals of economic policy in a country. There is a robust data that supports the idea that improvements in economic freedom in a country is an important and strong determinant of increased rates of economic growth in that country. The key drivers of such economic growth and poverty reduction usually, are resultant from the high levels of flexibility and resilience that come with economic freedom. Consequently, economic freedom, a key arrow in the quiver, should be a good starting point and deserves serious attention and focus.

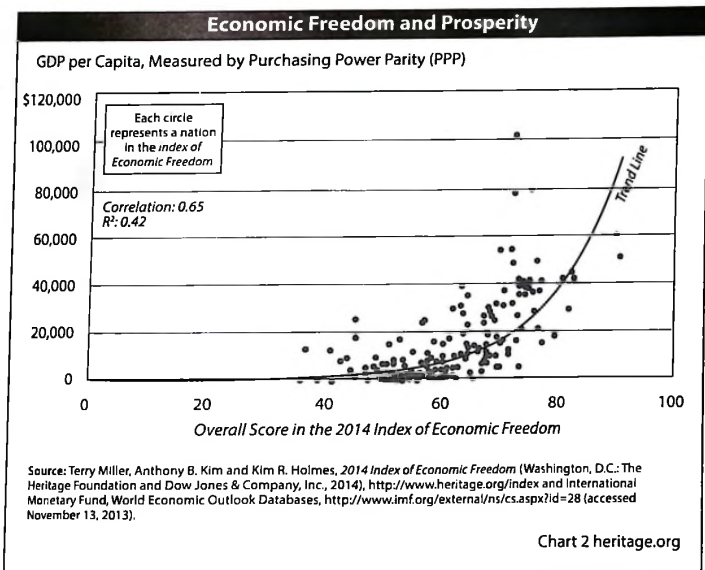
Secondly, it must also be realised that competitive economies drive productivity enhancements that support high incomes by ensuring that the mechanisms enabling solid economic performance are in place. The factors that underpin national competitiveness, together with the best strategies and policies that improve competitiveness and ensure sound structural economic fundamentals for sustained growth, should move hand in hand with the increased efforts to ensure economic freedom. Competitiveness are the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be earned by an economy. The productivity level also determines the rates of returns obtained by investments in an economy, being the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to sustain growth.

Economic freedom is the condition in which individuals can act with maximum autonomy and minimum obstruction in the pursuit of their economic livelihood and greater prosperity. In an economically free society, individuals succeed or fail based on their individual effort and ability. The institutions of a free and open market society do not discriminate against or favour individuals based on their race, ethnic background, gender, class, family connections, or any other factor unrelated to individual merit. This freedom also facilitates openness and transparency in government decision-making process, which illuminates the shadows where discrimination might flourish and in the end, promotes equal opportunities for all. In many countries around the world, recorded data provides strong evidence of the free-market system's success in promoting prosperity, human development, and democratic governance. A comprehensive view of economic freedom encompasses all liberties and rights of production, distribution or consumption of goods and services.

The highest levels of economic freedom should project a society where there is absolute right of property ownership; full freedom of movement of labour, capital, and goods; and an absolute absence of coercion or constraint of economic activity beyond that which is necessary for the protection and maintenance of liberty itself. An economically free society encourages the handling of economic decisions in a decentralised fashion. Individuals should be free to work, produce,

consume, and invest in any way they choose, under the even-handed application of laws, with their economic freedom both protected and respected by the state. Key features of that system, including private property rights, openness, and flexibility, are virtually uncontested desirable features of economic policy. The World Economic Freedom Index has measured the relationship between economic freedom and prosperity of nations as set out in Chart 4.1. This confirms a very strong relationship and link between the two. Vibrant and lasting economic growth results when governments implement policies that enhance economic freedom and empower individuals with greater choice and opportunities. There is a strong relationship between improving economic freedom and achieving higher per capita economic growth. The relationship between changes in economic freedom and changes in economic growth is consistently positive whether in the short or long run. This is cheering news to a government like Nigeria, wishing to improve the standard of living of her down-trodden people.

Chart 4.1 The Positive Relationship between Economic Freedom and Prosperity



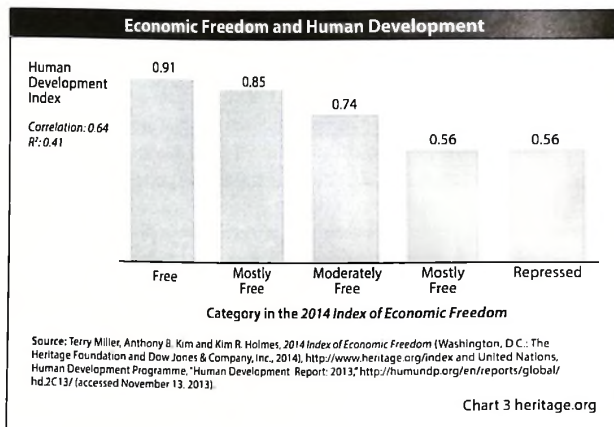
The 2014 Economic Freedom Index Report explains that “since 1995, when the index started documenting economic policies which promote broader economic growth and

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greater well-being, we have learned that²:

- Those countries that practise some version of free-market capitalism, with economies open to global trade and investment, do better than those that are protectionist or that shun economic interaction with others.
- Competition promotes greater productivity and a more efficient allocation of resources than central planning.
- Private ownership and the protection of individuals and enterprises by the rule of law encourage efforts and initiatives than collectivism and socialism.
- Governments that dominate their countries' economies impoverish their citizens through economic stagnation.³

Chart 4.2 Link between Economic Freedom and Human Development



Economies rated "free" or "mostly free" in the 2014 Index enjoy incomes that are more than three times higher than average incomes in all other countries and more than 10 times higher than the incomes of "repressed" economies. Economic freedom is key to enhancing the overall well-being, taking into account other factors such as health, education, security, and political governance. There are clear relationships between econom-

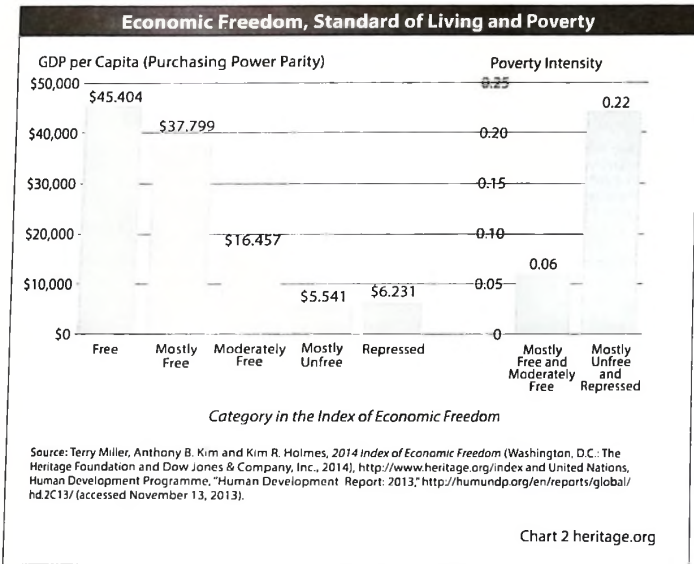
2 Berggren, N. (2003). The Benefits of Economic Freedom: A Survey. *The Independent Review* 8: 193 – 211

3 Economic Freedom Report 2014

ic freedom and numerous positive economic and social indicators, the most prominent being the strong relationship between the level of economic freedom and the level of prosperity in a given country. Greater economic freedom is strongly correlated with overall human development as measured by the United Nations Human Development Index, which measures life expectancy, literacy, education, and the standard of living in countries. The prosperity that flows from economic freedom results in greater access to education, reduced illiteracy, increased access to health care, food supplies, and longer life. This cumulatively leads to improved standards of living and a reduction in poverty intensity as set out in Chart 4.3.

Economies rated “free” or “mostly free” in the 2014 Index enjoy incomes that are more than three times higher than average incomes in all other countries and more than 10 times higher than the incomes of “repressed” economies.

Chart 4.3 Relationship between Economic Freedom, Standard of Living and Poverty

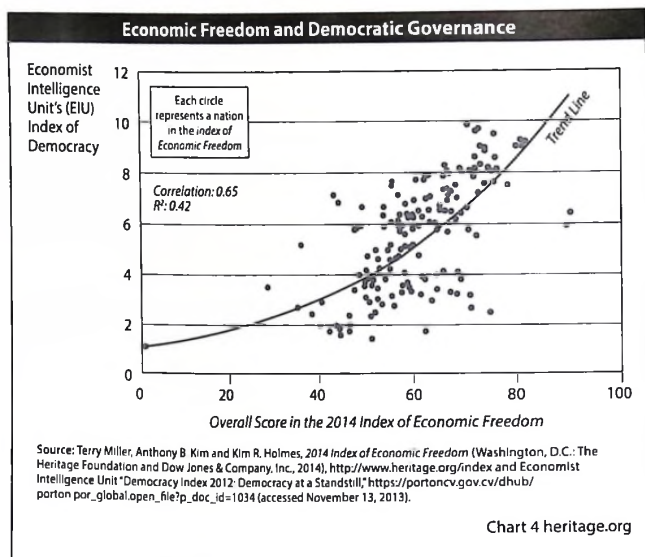


There is the debate over the complex interplay between economic freedom and democracy, but the positive relationship between the two is undeniable (see Chart 4.4). By empowering people to exercise greater control of their daily lives, economic freedom ultimately nurtures political reform as well as making it possible for individuals to gain the

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economic resources necessary to challenge entrenched interests or compete for political power, thereby encouraging the creation of more pluralistic societies.

Chart 4.4 Economic Freedom and Democratic Governance



Pursuit of greater economic freedom is thus an important stepping stone to democracy. It

By empowering people to exercise greater control of their daily lives, economic freedom ultimately nurtures political reform as well as making it possible for individuals to gain the economic resources necessary to challenge entrenched interests or compete for political power, thereby encouraging the creation of more pluralistic societies.

empowers the poor and builds the middle class. It is also an expression of the true essence of democracy — a government for the people and by the people. This means that a government, which enables and entrenches an unrestricted, comfortable, and peaceful means of commerce, trade and ultimately survival for its citizens to live a good life, is not only truly representative but also responsible. Also notable, in countries around the world, economic freedom has been shown to increase countries' capacity for innovation (See Chart 4.5) and to improve overall environmental performance. The positive link

between economic freedom and higher levels of innovation ensures greater economic dynamism in coping with various developmental challenges such as improvements in clean energy use and energy efficiency.

Chart 4.5 Economic Freedom and Innovation

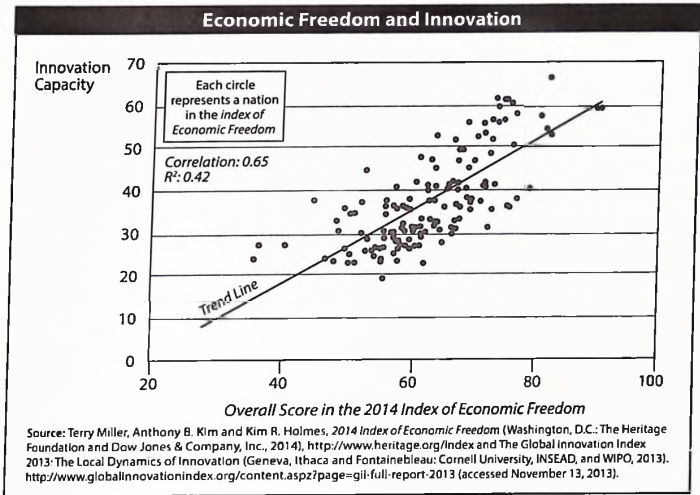


Chart 5 heritage.org

This philosophy encourages entrepreneurship and disperses economic power and decision-making throughout an economy. The 20th edition of the Index of Economic Freedom shows economic freedom as the most critical variable in sustaining the wealth of nations and the most effective means to eliminating poverty. For countries that achieve high scores, which reflect even moderate levels of economic freedom (60 or above), the relationship between economic freedom and per capita GDP is highly significant. Greater levels of economic freedom have had a major positive impact on poverty levels. Poverty intensity, as measured in the United Nations Development Programme (UNDP)'s Multi-dimensional Poverty Index (a report that assesses the nature and intensity of deprivation at the individual level in education, health, and standard of living), is much lower on the average in countries with higher levels of economic freedom. The intensity of poverty in countries whose economies are considered mostly free or moderately free is only about one fourth of the level of poverty intensity in countries that are rated less free.

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In the 20 years of assessment (from 1993 to 2012), world global economic freedom has gone up from 57.6 points to 60.3 points, whilst GDP has risen from \$31.7 trillion to \$53.7 trillion, which translates into a reduction in poverty of the world population from 43% to 21%. This is a reduction of more than 50% (Chart 4.6). More people are living better lives than ever before. The free-market system that is rooted in economic freedom has fueled unprecedented economic growth around the world. Over the past two decades, the global economy has moved towards greater economic freedom, becoming “moderately free” overall. As a result, the world economy achieved real GDP expansion by around 70%, lifting hundreds of millions of people out of poverty. With global economic freedom rising, the world has recorded significant economic growth, and the global poverty rate has been cut in half. Opening the gates of prosperity to even more people around the world, economic freedom has made the world a profoundly better place. Unfortunately Nigeria has not benefited much from this world growth in a way that will positively impact the high poverty level.

There is no doubt that an enhancement of the economic freedom level of the country will make a significant difference and this factor is, therefore, an important issue that deserves the added efforts of government, politicians, economic managers and scholars. The goal of economic freedom is not simply an absence of government coercion or constraint, but the creation and maintenance of a mutual sense of liberty for all. As individuals enjoy the blessings of economic freedom, they in turn have a responsibility to respect the economic rights and freedoms of others within the rule of law. This enables joint but separate access and movements in the mode of economic operations.

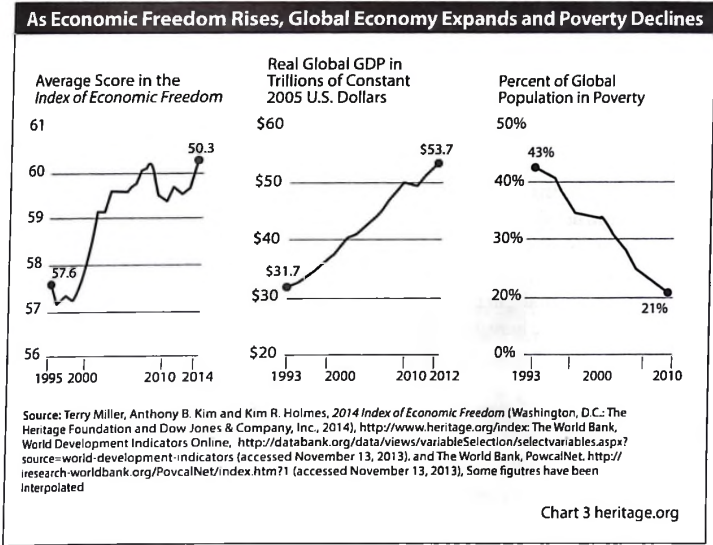
Governments are instituted to ensure basic protection against the ravages of nature or the predations of one citizen over another. Economic rights such as rights to property and contracts are basic rights that require societal and individual support as well as constitutional backing to defend people against the destructive tendencies of others. Some government actions are therefore absolutely necessary for the citizens of a nation

By substituting political judgments for decisions of the marketplace, government diverts entrepreneurial resources and energy from productive activities to rent-seeking which is the quest for economically unearned benefits.

to defend themselves, promote the peaceful evolution of civil society, and enjoy the fruits of their labour. For example, citizens are taxed to provide revenue for public safety, protection of properties, and defence. “Public goods” are meant to be more efficiently supplied by government than through private means. Some public goods, such as the maintenance of a police force to protect property rights, a monetary authority to maintain a sound currency, and an impartial judiciary to enforce contracts

among parties, are themselves vital ingredients of an economically free society which should be promoted by the government.

Chart 4.6 Global Economic Growth and Resultant Reduction in Poverty



However, when government actions are carried out below minimal necessary level, it leads inevitably and quickly to the loss of freedom — and the first freedom affected is often economic freedom. A major source of objection to a free economy is precisely that it, according to Milton Friedman, "... gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself"⁴. In general, state action or government control that interferes with individual autonomy limits economic freedom. Government

The key ingredients of economic freedom are: personal choice, voluntary exchange, freedom to compete, and protection of persons and property. When there is economic freedom, the economic choices of individuals will decide what and how goods and services are produced.

4 Milton Friedman, (1962). *Capitalism and Freedom* Chicago: University of Chicago Press.

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must endeavour to refrain from actions that interfere with personal choice, voluntary exchange, and the freedom to enter and compete in labour and product markets. Economic freedom is reduced when taxes, government expenditures, and regulations are substituted for personal choice, voluntary exchange, and market coordination. Restrictions that limit entry into occupations and business activities also retard economic freedom.

The concept of economic freedom is, therefore, related to the presence of protective rights, which are the rights for every individual to make choices and pursue the activities that enhance his desire for upliftment, and self-improvement. A desire for freedom and prosperity is an innate human tendency. Unfortunately, this natural desire can easily be shackled and constrained by governments that actually believe they are aiding rather than disempowering citizens. The road to hell, they say, is paved with good intentions and nowhere is this truer than some acts of governments. In its desire to do good economically, governments often do more harm than ensure that free markets do not function. The visible hand of government interferes in production, trade and consumption. Though sometimes imposed in the name of equality or some other noble societal purpose, such government actions are in reality imposed most often for the benefit of societal elites or special interests, and they come with a high cost to the society as a whole.

By substituting political judgments for decisions of the marketplace, government diverts entrepreneurial resources and energy from productive activities to rent-seeking which is the quest for economically unearned benefits. The result is lower productivity, economic stagnation, and declining prosperity. This was the lot of Nigeria for several decades until the introduction of the Structural Adjustment Programme (SAP) that commenced the liberalisation of the economy as will be discussed later. There is still a lot to be done in this regard in order to truly free the economy and set it on the path of productivity and people-oriented growth.

The key ingredients of economic freedom are: personal choice, voluntary exchange, freedom to compete, and protection of persons and property. When there is economic freedom, the economic choices of individuals will decide what and how goods and services are produced. The Adam Smith's theory of the "invisible hand" takes over the allocation of resources to where it is best required. This "wisdom of the crowd" in deciding the efficient and effective allocation of resources, using the "invisible hand", is a theory that requires a more detailed exposition in later discourse, particularly as it has potency both economically and politically. Of course, individuals will often find it attractive to engage in the exchange of activities that are mutually advantageous. Complete self-ownership is an underlying postulate of economic freedom. Within such freedom, individuals have a right to choose how they will use their time and skills.

On the other hand, they do not have a right to the time, skills, and resources of others. Thus, they have no right to demand that others provide things for them. Institutions and policies are consistent with economic freedom when they provide an infrastructure for voluntary exchange, and protect individuals and their property from aggressors, seeking to use violence, coercion, and fraud to seize things that do not belong to them. In this regard, the legal and monetary arrangements are particularly important. Governments promote economic freedom when they provide a legal structure and law enforcement system that protects the property rights of owners and enforces contracts in an even-handed manner. They also enhance economic freedom when they facilitate access to sound money. In some cases, the government itself may provide a currency of stable value. In other instances, it may simply remove obstacles that retard the use of sound money that is provided by others, including private organisations and other institutions⁵. Most importantly too, governments ought to provide a shield against those who invade the privacy of others and usurp their property rights or take what does not belong to them. Government's monopoly of the provision of goods and services (especially when it extends beyond those that are clearly considered public goods) imposes a separate constraint on economic activity. This is because it crowds out private sector activity and usurps resources that might otherwise have been available for private investment or consumption. The constraint of economic choices distorts and diminishes the production, distribution, and consumption of goods and services (including, of course, labour services), and the wealth of the nation inevitably declines as a result.

Economic freedom covers a different sphere of human interaction than political freedom and civil liberties. Political freedom concerns the procedures that are used to elect government officials and decide political issues. Political liberty is present when all adult citizens are free to participate in the political process (vote, lobby, and choose among candidates), and elections are democratic, fair, and competitive (alternative parties are allowed to participate freely). Civil liberty encompasses the freedom of the press and the rights of individuals to assemble, hold alternative religious views, receive a fair trial, and express their views without fear of physical retaliation. While they cover different aspects of life, the foundation of political and civil liberty is identical to that of economic freedom. Consider political liberty.

The freedom of voters to support candidates and parties of their choice is grounded in the personal choice postulate⁶. Similarly, the presence of competition among alternative candidates and parties merely reflects the importance of voluntary interaction and free entry (freedom to compete). Voluntary association and freedom to compete also provide

5 J. Gwartney, R. Lawson. (2003). *European Journal of Political Economy*. Page 406 (405–430)

6 J. Gwartney, R. Lawson. (2003). *European Journal of Political Economy* 19 Page 408 (405–430)

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the foundation for civil liberties, including the right to assemble, freedom of religion, and freedom of the press. The right to a fair trial reflects the importance of an even-handed legal system and protection of person and property against aggression. Thus, the foundation for the concept of economic freedom is the same as that underlying political and civil liberty. Political liberties and civil rights are freedoms that have spill-over effects on economic freedom. As Adam Smith, Milton Friedman, and Friedrich Hayek have stressed, freedom of exchange and market co-ordination provide the fuel for economic progress. Without exchange of commodities and entrepreneurial activities co-ordinated through markets, modern living standards would be impossible. Unfortunately, potentially advantageous exchanges, in most cases, do not always occur. This is because the realisation of these advantages is dependent on the presence of other key elements like sound money, rule of law, and security of property rights, among other factors.

The four keystones of economic freedom highlighted earlier are very fundamental principles glued to the empowerment of the individual, non-discrimination, and open competition and they underpin every policy idea and metrics presented in the Index of

Think of the miracle that would happen in Nigeria if the cost of government as represented by the recurrent expenditure and corruption were both to come down by half (to say, 40%) and the funds so released from the pockets of individuals were to be properly deployed to provide infrastructure, education and health.

Economic Freedom.⁷ A call to empower the people and eschew all forms of discrimination by creating and nurturing open competition does not sound difficult to carry out and achieve. Actualising this mandate should not in any way be an herculean task given the usefulness that economic freedom will yield in assisting the country to transform its potentials to realistic growth and convert the current deficit in the economic and political sphere into a robust improvement in the standard of living for all. That said, it is safe to posit that what is required foundationally, is building strong institutions rather than strong men. This will ensure that government equips each individual with the wherewithal

to positively compete in the actualisation of achieving self-empowerment in the forms of basic education and health and the provision of safety net for the less privileged in the society. It will also involve the creation of infrastructure that will enhance markets and the exchange of goods, security of life and property and structures that will support the rule of law. These sound a lot on government.

However, think of the miracle that would happen in Nigeria if the cost of government as represented by the recurrent expenditure and corruption were both to come down by

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half (to say, 40%) and the funds so released from the pockets of individuals were to be properly deplored to provide infrastructure, education and health. This is a pipe dream but is also the sort of action that will be required as illustrated in the big picture earlier, so as to begin to turn the very bad situation around. The greatest challenge that Nigeria faces is inequality, -- a challenge of the status quo, which creates millionaires within a very small minority at a high rate, when those who do not earn \$1.25 a day are more than half of the population. This cannot be said to be empowering citizens. Inequality is propped up by unemployment which has left up to 45% of youth of ages 16-25 unemployed, disempowering the majority of the people and destroying the hope and aspiration for tomorrow. Primary school enrollment is on the upswing but at 70% completion rate (compared to 90% for the rest of the world). The high dropout rate creates another layer of poverty and not empower those concerned to face the future. It is a fact that tertiary education no longer guarantees quality education and this means that human capital is less efficiently built, thereby threatening future economic growth and prosperity at both the individual and national level. The epileptic electricity supply among others stagnates the industrial sector and induces high cost of production and lack of competitiveness for Nigerian manufactured goods in the international market.

This story best illustrates the enormity of the responsibilities being faced by government and the people in the quest to create economic freedom. It is a story told by Segun Adeniyi on 20th March, 2014, titled, "A Society Governed by Rustlers". Reflecting on the activities of rustlers, he re-echoed a statement made by Malam Zubair Jibril Mai Gwari, the Emir of Birnin Gwari, in Kaduna State: "As I speak, we don't know how many thousands of cattle have been stolen so far. The issue is that everywhere you go in the Emirate, you will find a casualty; someone's herds of cattle were stolen, his wife or children raped and others even killed. "The rustlers are well organised. They are in control of one village called Jan Birni. You can't go there now if you are not a thief. If they don't know you, they may kill you. I reported to the government that our people have sighted, many times, helicopters landing and taking off, delivering weapons to these people. These rustlers don't care whether you put fire on your cattle, they will whisk them away. The rustlers are so clever. If your cattle are branded, they will slaughter them, cut them up and sell them in pieces. If you go to Birnin Gwari-Funtua axis, they are gradually taking over all villages and towns along the roads. They come out on market days and brandish their weapons without care..."

Going further, Segun Adeniyi stated that if we consider the above narration scary, then we need to read the experience of Dr. Hakeem Baba Ahmed, former INEC Secretary and retired Federal Permanent Secretary who is now back to the university as a lecturer: "I lost my entire herd to rustlers. 20 years of labour went with a gang armed to the teeth. We were fortunate that the herd was all they took. Women and young females who are routinely raped and/or abducted, were alerted by the commotion caused by cows being

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separated from calves to run into the bush. We had prepared very well, because we knew they were coming, and there was nothing we could do. For almost 400 square kilometres, from Abuja to Kaduna, Zaria and Birnin Gwari, there is hardly any farm with cattle [left]. We don't even bother to report to the police. It is the same in most parts of Katsina and Zamfara states. The backbone of the northern economy is farming and husbandry. Cattle breeding and processing was a major business in these areas. Not anymore. Slowly but surely, the heart of the northern economy is being snuffed out. We cannot keep cattle on our farms. Large scale farming is becoming less and less attractive. A huge swathe of the North is now bandit territory. Most of us know where our cattle are, but we cannot retrieve them. Abducted women and young girls hardly ever return..."

Segun concluded: "Perhaps the last few weeks might go down as the most violent and bloody in the nation. Besides the attacks in Maiduguri, where some daring insurgents attempted to free their detained mates from a well-fortified military barracks, more than 300 innocent people have been killed by the activities of Boko Haram, the Rustlers and other armed groups which cannot be readily categorised. Several communities in Benue State, including the Governor's village, were sacked and many murdered in their homes or in the fields. Even the convoy of Governor Gabriel Suswam was also attacked in the course of commiserating with some of the victims. In Katsina, while President Goodluck Jonathan was on official visit, rampaging gunmen attacked some communities, resulting in the death of more than 100 innocent people. And when many were still mourning the dead, another violent group attacked some three communities in Southern Kaduna, resulting in the death of more than 100 people... I am also afraid of the lawlessness that is fast turning our nation into one big jungle. Millions of our people are being denied their means of livelihood and hundreds are being killed in cold blood almost on a daily basis. You have Boko Haram and their cousin, the Rustlers operating in the North while armed robbers and kidnappers are having a field day in the South. In all these, there is a sense in which the activities of the Rustlers mirror that of our society. Take the tragedy of last Saturday across the country. The real issue is not that we have millions of unemployed people as worrisome as that may be. Neither is it about the absence of any logistical arrangement to take care of the huge army of applicants that resulted in the stampede. The real tragedy is that the whole scam was put together by some Rustlers who had no compunction about exploiting hundreds of thousands of young Nigerians"⁸.

The above story explains very evidently the urgency the dire situation we face requires. It carries numerous testimonials regarding all that has been discussed in the big picture which includes the reality that Nigeria is getting to a situation where the government can no longer guarantee life and property; this suggests that property rights and rule

8 <http://www.ynaija.com/olusegun-adeniyi-this-is-a-society-governed-by-rustlers/>

of law are giving way to a regime of the survival of the fittest where brute force is the order of the day, making the thought of economic freedom a faint idea, given the pattern that unfolds on a daily basis.

Calling a spade a spade

Development can be seen, it is argued here, as a process of expanding the real freedoms that people enjoy. Focusing on human freedoms differs widely from narrower measurements of development such as growth of Gross National Product (GNP), rise in personal income, industrialisation, technological advancement, or social modernisation. Growth of GNP or of individual incomes can of course be very important as means to expanding the freedom enjoyed by members of the society. But freedom depends also on other determinants, such as social and economic arrangements (for example, facilities for education and health care) as well as political and civil rights (the liberty to participate in public discussion and scrutiny etc.). Similarly, industrialisation or technological progress or social modernisation can substantially contribute to expanding human freedom. Freedom, however, depends on other influences as well. If freedom advances and progresses through development, then there is a major argument for concentrating on that overarching objective rather than on some particular means or some specially chosen list of instruments. Viewing development in terms of its importance in expanding substantive freedom strongly directs attention to the end results that make development itself important, rather than merely to some of the means that, *inter alia* play a prominent part in the process.

Development requires the removal of major sources of unfreedom⁹ which are majorly poverty as well as tyranny, poor economic opportunities, intolerance of the state over complaints against repressive activities etc. These elements and their presence thereof relates directly to economic poverty which robs people of the freedom to satisfy hunger, sufficient nutrition, remedies for treatable illnesses, opportunities to be adequately clothed or sheltered, access to clean water or sanitary facilities. It prevents them from enjoying social care such as the absence of organised arrangements for health care, educational facilities, effective institutions for the maintenance of law and order etc. In other cases still, the violation of freedom results directly from a denial to effectively partake in the political process by imposition of leaders through rigged elections to usurp the rights and responsibilities of the people for self-determination. A review of where things stand with regards to the economic freedom of the people is, therefore, useful.

As has been extensively discussed, economic freedom is an essential part of human liberty, without which a person's rights to life, liberty, and the pursuit of happiness may be fundamentally compromised. As Friedrich Hayek once observed, "To be controlled in our

9 Amaetyn Sen. (1999). *Development as Freedom* Oxford University Press

economic pursuits means to be controlled in everything.”¹⁰ These timeless observations on economic freedom are based on the truth that each person is, as a matter of natural right, a free and responsible individual with inalienable dignity and fundamental liberties that righteous and effective political systems regard as unassailable.

The Index of Economic Freedom takes a broad and comprehensive view of all aspects of economic freedom and measures a country's performance in 10 separate areas of economic freedom. Some of the areas of economic freedom measured are concerned with

The protection of private property requires an effective and honest judicial system that is accessible to all equally, without discrimination. The independence, transparency, and effectiveness of the judicial system have proved to be key determinants of a country's prospects for long-term economic growth.

a country's interactions with the rest of the world, for example, the extent of an economy's openness to global investment or trade. Most of the other areas measured, however, focus on policies within a country, assessing the liberty of individuals to use their labour or finances without undue restraint and government interference. Each of the economic freedom indicators plays a vital role in developing and sustaining personal and national prosperity. They are not mutually exclusive of each other. Progress in one area is often likely to reinforce or initiate progress in another. Similarly, repressed economic freedom in one area, for example respect for property rights, may make it much more difficult to achieve high levels of freedom in other categories. The Index of Economic Freedom

grouped the 10 pillars of freedoms into four broad categories of economic freedom. Each type of freedom within these four broad categories is individually scored on a scale of 0 to 100¹¹. A country's overall economic freedom score is a simple average of its scores on the 10 individual freedoms. The categories and 10 pillars of freedom are discussed below.

Category one - Rule of law

Pillar 1 - Property rights: The ability to accumulate private property and wealth is understood to be a central motivating force for workers and investors in a market economy. The recognition of private property rights, which is a reflection of the rule of law to protect them, is a vital feature of a fully functioning market economy. Secure property rights give citizens the confidence to undertake entrepreneurial activity, save their income, and make long-term plans because they know that their income, savings, and property (both real and intellectual) are safe from unfair misappropriation or theft. The protection of private property requires an effective and honest judicial system that is

10 Hayek's Friedrich A. Hayek. (1944). *The Road to Serfdom* Chicago, Ill: University of Chicago Press.

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accessible to all equally, without discrimination. The independence, transparency, and effectiveness of the judicial system have proved to be key determinants of a country's prospects for long-term economic growth. Such a system is also vital to the maintenance of peace and security and the protection of human rights. A key aspect of property rights protection is the enforcement of contracts. The voluntary undertaking of contractual obligations is the foundation of the market system and the basis for economic specialisation, gains from commercial exchange, and trade among nations. Even-handed government enforcement of private contracts is essential to ensuring equity and integrity in the marketplace.

Excessive government spending runs a great risk of crowding out private economic activity.

Pillar 2 - Eradication of corruption: Corruption is defined as dishonesty or decay. In the context of governance, it can be defined as the failure of integrity in the system; a distortion by which individuals are able to gain personally at the expense of the whole. Political corruption manifests itself in many forms such as bribery, extortion, nepotism, cronyism, patronage, embezzlement, and (most commonly) graft, whereby public officials steal or profit illegitimately from public funds. Corruption can infect all parts of an economy. This is because there is a direct relationship between the extent of government regulation or government intervention in economic activities and the amount of corruption that is involved in the process. Almost every government regulation that grants discretionary powers can provide an opportunity for bribery or graft. In addition, a government regulation or restriction in one area may create an informal market in another. For example, a country with high barriers to trade may have laws that protect its domestic market and prevent the import of foreign goods, but these barriers create incentives for smuggling and a black market for the restricted products. Transparency is the best weapon against corruption. Openness in regulatory procedures and processes can promote equitable treatment and greater regulatory efficiency and speed.

The higher the government's (tax) cut, the lower the individual's reward (and actual income), and the lower the incentive to undertake the work. Higher tax rates interfere with the ability of individuals and firms to pursue their goals in the market place and reduce, on average, their willingness to work or invest.

Category two - Limited government

Pillar 1 - Fiscal freedom: Fiscal freedom as an economic freedom indicator, which measures the extent to which individuals and businesses are permitted by government to keep and control their income and wealth for their own use and benefit. A government can impose fiscal burden on economic activity through taxation, but it also does so when it incurs debts must be paid off through taxation. The marginal tax rate that accrues to

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an individual includes the government's portion of the profit from his or her net unit of income, leaving the balance of the income as the individual's actual reward for the effort. The higher the government's cut, the lower the individual's reward (and actual income), and the lower the incentive to undertake the work. Higher tax rates interfere with the ability of individuals and firms to pursue their goals in the market place and reduce, on average, their willingness to work or invest. While individual and corporate income tax rates are important to economic freedom, they are not a comprehensive measure of the tax burden. Governments impose many other indirect taxes, including payroll, sales, and excise taxes like tariffs and the value-added tax (VAT). In the Index of Economic Freedom, the burden of these taxes is captured by measuring the overall tax burden from all forms of taxation as a percentage of total GDP.

Pillar 2 - Government spending: The cost of excessive government is a central issue in economic freedom, both in terms of generating revenue (*see fiscal freedom*) and spending. Some government spending, such as providing infrastructure or funding research or even improvements in human capital, may be thought of as investments. There are public goods – the benefits of which accrue broadly to

By increasing the costs of production, regulations can make it difficult for entrepreneurs to succeed in the marketplace.

society in ways that markets cannot appropriately price. All government spending that must eventually be financed by higher taxation, however, entails an opportunity cost equal to the value of the private consumption or investment that would have occurred, had the resources involved been left in the private sector. In other words, excessive government spending runs a great risk of crowding out private economic activity. Even if an economy achieves fast growth through heavy government expenditure, such economic expansion tends to be only short-lived, distorting allocation of resources and private investment incentives. Even worse, a government's insulation from market discipline often leads to bureaucracy, lower productivity, inefficiency, and mounting debt that imposes an even greater burden on future generations. As many have experienced in recent years, high levels of public debt accumulated by irresponsible government spending undermines economic freedom and stifles growth.

Category three - Regulatory efficiency

Pillar 1 - Business freedom: Business freedom is about an individual's right to establish and run an enterprise without interference from the state. Burdensome and redundant regulations are the most common barriers to the free conduct of entrepreneurial activity. By increasing the costs of production, regulations can make it difficult for entrepreneurs to succeed in the marketplace. Although many regulations hinder business productivity and profitability, the most inhibiting to entrepreneurship are those that are associated with licencing new businesses. In some countries, the procedure for

obtaining a business licence can be as simple as mailing in a registration form with a minimal fee. In Hong Kong, for example, obtaining a business licence requires filling out a single form, and the process can be completed in a few hours. In other economies such as Nigeria and India, the process of obtaining a business licence can take much longer, involving endless trips to government offices and repeated encounters with officials and sometimes corrupt bureaucrats. Once a business is open, government regulations may interfere with normal decision-making. Two countries with the same set of regulations can impose different regulatory burdens and achieve differing forms of business environment. If one country, for instance, applies its regulations evenly and transparently, it lowers the regulatory burden by facilitating long-term business planning. The other country, on the other hand, that applies regulations inconsistently and permits discretionary actions, raises the regulatory burden of its citizens by creating an unpredictable and unhealthy business environment.

Pillar 2 - Labour freedom: The ability of individuals to work as much as they want and wherever they want is a key component of economic freedom. By the same token, the ability of businesses to contract freely for labour and dismiss redundant workers when they are no longer needed is a vital mechanism for enhancing productivity and sustaining overall economic growth. The core principle of any market is free, voluntary exchange. This is as true in the labour market as it is in the market for goods. State intervention generates the same problems in the labour market as it does in any other market. Government regulations take a variety of forms, including wage controls, hiring and firing restrictions, and other restrictions. In many countries, unions play an important role in regulating labour freedom and, depending on the nature of their activity, may be either a force for greater freedom or an impediment to the efficient functioning of labour markets. In general, the greater the degree of labour freedom, the lower the rate of unemployment in an economy.

Pillar 3 - Monetary freedom: Monetary freedom reflected in a stable currency and market-determined prices is to an economy what free speech is to democracy. Free people need a steady and reliable currency as a medium of exchange, unit of account, and store of value. Without monetary freedom, it is difficult to create long-term value or amass capital. The value of a country's currency is controlled largely by the monetary policy of its government. With a monetary policy that endeavours to fight inflation, maintain price stability, and preserve the nation's wealth, people can rely on market prices for the foreseeable future. Investments, savings, and other longer-term plans can be made more confidently. An inflationary policy, by contrast, confiscates wealth like an invisible tax and also distorts prices, misallocates resources, and raises the cost of doing business.

The value of a country's currency is controlled largely by the monetary policy of its government.

Category four – Open markets

Pillar 1 - Trade freedom: Trade freedom reflects an economy's openness to import of goods and services from around the world and the citizen's ability to interact freely as a buyer or seller in the international marketplace. Trade restrictions can manifest themselves in the form of tariffs, export taxes, trade quotas, or outright trade bans. However, trade restrictions also appear in more subtle ways, particularly in the form of regulatory barriers. The degree to which government hinders the free flow of foreign commerce has a direct bearing on the ability of individuals to pursue their economic goals and maximise their productivity and well-being. Tariffs, for example, directly increase the prices that local consumers pay for foreign imports, but they also distort production incentives for local producers, causing them to either produce goods in which they lack comparative advantage or more of protected goods than economically efficient ones. This impedes overall economic efficiency and growth. In many cases, trade limitations also put technologically advanced products and services beyond the reach of local entrepreneurs, and limit their own productive development.

Pillar 2 - Investment freedom: A free and open investment environment provides maximum entrepreneurial opportunities and incentives for expanded economic activity, greater productivity, and job creation. The benefits of such an environment flow not only to the individual companies that take the entrepreneurial risk in expectation of greater return, but also to the society as a whole. An effective investment

An effective regulatory system, through disclosure requirements and independent auditing, ensures both transparency and uprightness.

framework will be characterised by transparency and equity, supporting all types of firms rather than just large or strategically important companies, and will in the end, encourage rather than deter innovation and competition. Restrictions on the movement of capital, both domestic and international, undermine the efficient allocation of resources and reduce productivity, distorting economic decision-making. Restrictions on cross-border investment can limit both inflows and outflows of capital, shrinking markets and

reducing opportunities for growth. In an environment in which individuals and companies are free to choose where and how to invest, capital will freely flow for maximum utilisation to sectors and activities where it is most needed and the returns are greatest. Various actions and policies by the state to redirect the flow of capital and limit choice is a barrier to freedom for both the investor and the individual in need of capital. The more restrictions a country imposes on investment, the lower its level of entrepreneurial activity.

Pillar 3 - Financial freedom: A transparent and open financial system ensures fairness in access to financing and promotes entrepreneurship. An open banking envi-

ronment encourages competition to provide the most efficient financial intermediation between households and firms and between investors and entrepreneurs. Through a process driven by supply and demand, markets provide real-time information on prices and immediate discipline for those who have made bad decisions. This process depends on transparency in the market and the integrity of the information being made available. An effective regulatory system, through disclosure requirements and independent auditing, ensures both transparency and uprightness.

As with the banking system, the useful role to be played in governing these institutions lies in ensuring transparency, promoting disclosure of assets, liabilities, and risks, and ensuring integrity. Banking and financial regulation by the state, which exempts the assurance of transparency and honesty in financial markets, can impede efficiency, increase the costs of financing entrepreneurial activity, and limit competition. If the government intervenes in the stock market, for instance, it contravenes the choices of millions of individuals by interfering with the pricing of capital—the most critical function of a market economy. Equity markets measure, on a continual basis, the expected profits and losses in publicly held companies. This measurement is essential in allocating capital resources to their highest-valued uses and thereby satisfying consumers' most urgent requirements.

Table 4.4 Economic Freedom and Ratings 2012

2012 Index of Economic Freedom world rankings

Country	Overall score	Change from 2011	RULE OF LAW		LIMITED GOVERNMENT		REGULATORY EFFICIENCY			OPEN MARKETS		
			Priority rights	Freedom from corruption	Fiscal freedom	Govt spending	Business freedom	Labour freedom	Monetary freedom	Trade freedom	Investment freedom	Financial freedom
Botswana	69.6	0.8	70.0	58.0	78.3	53.7	69.1	70.2	78.9	79.7	75.0	70.0
Brazil	57.9	1.6	37.0	69.1	54.8	53.7	53.7	59.1	75.8	69.7	50.0	60.0
Ghana	60.7	1.3	50.0	41.0	81.9	48.3	62.9	62.9	66.9	67.8	65.0	60.0
India	54.6	0	50.0	33.0	76.1	74.8	35.5	74.2	62.9	64.1	35.0	40.0
Indonesia	56.4	0.4	30.0	28.0	83.5	91.6	54.6	52.1	75.2	73.9	35.0	40.0
Malaysia	66.4	0.1	50.0	44.0	84.5	72.5	78.1	79.3	81.6	78.8	45.0	50.0
Nigeria	56.3	-0.4	30.0	24.0	83.5	72.3	55.6	80.6	72.0	63.9	40.0	40.0
Singapore	87.5	0.3	90.0	93.0	91.3	91.3	97.2	92.1	84.8	90.0	75.0	70.0
South Africa	62.7	0	50.0	45.0	70.7	71.9	75.8	57.3	75.0	76.3	45.0	60.0
South Korea	69.9	0.1	70.0	54.0	72.8	67.2	93.6	49.7	78.9	72.6	70.0	70.0

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Source: 2012 Index of Economic Freedom (www.heritage.org/index)

The above table is summarised from Index of Economic Freedom rating for Nigeria's 10th comparator countries. The country is again rated in the last position, scoring 56.3 and declining by - 0.4 from 2011 while Ghana and Botswana were rated above Nigeria at 60.7 and 69.6 respectively. Most interestingly, Singapore was rated the highest among the 10th with a world ranking of No 2, scoring 87.5. Singapore, therefore, becomes the best in class (in Economic Freedom) and the country that Nigeria should emulate. Although, a small country of about 5,460,302 (2013)¹² in population, this country has transformed itself from a third to a first world country. This is worthy of note and as a result it is necessary to draw from the Singaporean experience in this regard.

The Index of Economic Freedom has the following to say about Nigeria:

"Nigeria's economic freedom score is 56.3, making its economy the 116th freest in the 2012 Index. Its score is 0.4 point lower than last year, reflecting declines in six of the 10 economic freedoms, including labour freedom, monetary freedom, trade freedom, and freedom from corruption, that overwhelmed a modest gain in business freedom. Nigeria

The Nigerian government has pursued structural reforms centred on enhancing the management of public finance and improving the efficiency of the entrepreneurial environment.

is ranked 19th out of 46 countries in the Sub-Saharan Africa region, and its overall score is below the world average. The Nigerian government has pursued structural reforms centred on enhancing the management of public finance and improving the efficiency of the entrepreneurial environment. With a strong surge in oil production, the economy has achieved an average annual growth rate of around 7% over the past five years. Nonetheless, the structural changes that are necessary to develop a more vibrant private sector or achieve more broad-based growth have not emerged. The oil sector continues to dominate the economy. Lingering institu-

tional problems hamper activity elsewhere. With the judicial system susceptible to political interference, corruption is prevalent, and the rule of law is weak throughout the country. Cronyism is pervasive, particularly in connection with the oil and gas sector. Nigeria is Africa's leading oil producer, although sabotage of oil facilities and pipelines and violent attacks on foreign oil workers in the Niger Delta impede output. Oil and gas account for about 90% of export earnings and 80% of government revenue. The informal economy is extensive, and a majority of the population is engaged in agriculture. Ethnic, regional, and religious violence has taken a heavy toll in parts of Nigeria.

Rule of law: The legal system suffers from political interference, bureaucratic delays,

12 http://www.indexmundi.com/singapore/demographics_profile.html

insufficient funding, and the lack of a document-processing system. Inefficient property registration systems make acquiring and maintaining rights to real property difficult. Enforcement of copyrights, patents, and trademarks is deficient. Corruption is endemic at many levels of the public sector.

Limited government: The top income tax rate is 25%, and the top corporate tax rate is 30%. Other taxes include value-added tax (VAT) and capital gains tax, with the overall tax burden amounting to 6.9% of total domestic income. Government spending has increased slightly to a level equivalent to 30.4% of total domestic output. The budget deficit has been over 5% of GDP, although public debt remains below 20% of GDP.

Inefficient property registration systems make acquiring and maintaining rights to real property difficult.

Regulatory efficiency: The business environment has improved only marginally. The entrepreneurial environment remains burdened by time-consuming and costly regulatory procedures. The minimum capital requirement for starting a business has been eliminated, but completing licencing requirements still costs over five times the level of annual average income. Much of the formal labour force is employed in the public or energy sectors. Inflation has been high.

Open market: The trade weighted average tariff rate is quite high at 10.6%, and onerous non-tariff barriers further deter dynamic growth in trade. Most sectors are open to private investment, and regulations formally treat foreign and domestic investment equally. However, the investment regime lacks efficiency and transparency. The economy remains largely cash-based, and the state continues to influence the allocation of credit.”¹³

The above is indicative that the journey to economic freedom is slow and the destination is still a long way off. The limitations, raised obviously cumulatively defeat economic freedom and retard the growth of the Nigerian economy. The following four key drawbacks will be briefly discussed to underscore this position. These issues are the imbalance in the economy and why it must be restructured for growth; the defeat of the rule of law and the obstruction of property rights; the menace of corruption and ethnic/religious violence, which has already been briefly discussed. All these issues create the great impediments to the economic rise of the Nigerian nation. The structure of the Nigerian economy has, over the years, been identified as a factor that has hindered its growth. Indeed, this has remained a source of concern to government, stakeholders and investors (both local and foreign). The advent of oil in the early 1970s completely skewed government's focus and made the economy highly dependent on oil revenue. This is largely the cause for the

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current mono-product nature of the economy.

The rebased GDP as set out in Table 4.5 below shows that this historical position is gradually changing with services (comprising financial services and insurance, information and communications, real estate, trade, scientific and technical services) accounting for 52%, Industry 25.7%, Agriculture 22%, Telecommunications 8.69%, Manufacturing only 6.83% and Entertainment (comprising Nollywood, music production and broadcasting) 1.42%.

The structure of the Nigerian economy has, over the years, been identified as a factor that has hindered its growth. Indeed, this has remained a source of concern to government, stakeholders and investors (both local and foreign).

Manufacturing is still very low at 6.83%. Infrastructure development is a major challenge, particularly as a modern economy ought to run on reliable roads and effective rail systems. Similarly, constant electricity supply, quality education, excellent health care and the eradication of corruption are all of significant importance. There is need to chart an economic course that will bring the entire nation's urban infrastructure and educational delivery to the standard in the advanced countries, a vision which is still being aggressively pursued. The economic "miracle" of China is driven by a growing middle class, which in itself, generates sweeping economic and social transformation. The middle class can only be expanded and empowered by positive policies

and labour market initiatives that increase wages. Likewise, there is need for financial reforms that stimulate employment and income growth and enhance the rising role of private enterprises which encourage productivity and help more households to earn more income. Above, all, it will help change the anomalous position when Nigeria exports what it does not have but imports what it unfortunately has or ought to have in abundance.

According to Omojuwa, "how do you explain an economy that produces crude oil, but imports petroleum products, an economy that produces cassava, but imports starch, an economy that produces tomato but is the world's biggest importer of tomato paste?"¹⁴

14 <http://omojuwa.com/2013/06/restructuring-nigerias-economy-the-china-example-by-richard-chilee/>
June 22, 2013

Table 4.5 Structure of the Nigeria Economy (before and after Rebasing) April 2014

	2010 (old)	2011 (old)	2012 (old)	2013 (old)	2010 (new)	2011 (new)	2012 (new)	2013 ^f (new)
Agriculture	30.34	30.99	30.08	34.69	24.0	22.80	22.40	21.97
Industry	46.08	44.29	40.59	36.26	25.81	27.85	26.72	25.64
Manufacturing (of total)	1.89	1.86	1.88	1.94	6.46	6.46	6.67	6.83
Crude Oil & Natural Gas	42.68	40.86	37.01	32.43	15.50	17.52	15.89	14.40
Services	23.58	23.72	26.33	29.04	50.22	49.35	50.91	51.89
Telecommunication and info services	0.77	0.78	0.82	0.86	9.1	8.74	8.73	8.69
Motion pictures, sound recording and music production	-	-	-	-	0.88	1.01	1.20	1.42

Source: Nigeria Bureau of Statistics

Successive Nigerian leaders continue to acknowledge that Nigeria's economy must be re-positioned by reducing its reliance on oil and consumption of goods produced by other countries but have not taken comprehensive action to address this until very recently under the President Goodluck Jonathan's administration. It must be reaffirmed that no nation has ever prospered sustainably with a single source of income and without an industrial base whatsoever, particularly given that this is the age of technology. The country's economic policy adjustments must focus on eradicating poverty, shifting away from a consumer oriented society to a producer oriented one, tackling unemployment through creating more job opportunities and establishing a sound educational model. We must also acknowledge educational development as instrumental to nation-building and socio-economic development. The implementation of a progressive curriculum with emphasis on practical, student and teacher training, integrated in the overall national system of education, is a basis for self-development. Consequently, an education model that focuses on entrepreneurship, youth policies, science and technology, is the basis for national development. Globally, Small and Medium Scale Enterprises (SMEs) are regarded as the backbone of every thriving economy. It also allows for the creation of environments which enables jobs to flourish.

It is the capacity to enforce laws that gives legislation weight in the first place. Moral persuasion does not and cannot ensure compliance with regulations.

The second weakness in the chain that will be discussed is the rule of law. The abuse of the rule of law, resort to self-help and impunity are the bane of the Nigerian justice system. There is a general feeling that the Nigeria state is incapable of ensuring accountability and

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consequences of infringements of the law. This translates into two things, the perception that constitutional institutions cannot protect or provide redress for individuals and the belief that illegal actions and crimes cannot be punished. This is a recipe for anarchy and lawlessness and an absolute defeat of a fundamental pillar of economic freedom.

According to the Nigerian constitution, the primary function of maintaining law and order rests with government. It is the primary reason why formal states exist in the first place. To be able to carry out this fundamental duty, government must not just command respect and trust but must also have effective mechanisms for maintaining law and order. It is the capacity to enforce laws that gives legislation weight in the first place. Moral persuasion does not and cannot ensure compliance with regulations. There must be concrete punishment that is strong in action and not just on paper. The reverse has been the case in Nigeria for a long time. Criminals, miscreants, malefactors and misfits walk around the country even when it is obvious to people that such persons should be behind bars. Sometimes, government does not even hold itself accountable. There is this notion

The 'omonile' principle subverts property rights as these people (without authority, right or title), continue to lay claim to land which their fore fathers sold several years ago. They create roadblocks and check points to extort money from helpless citizens.

that people can get away with anything in Nigeria. The reckless behaviour of some people reinforces the notion that Nigeria is a country where laws do not matter. In Lagos state for example, the 'omonile' principle subverts property rights as these people (without authority, right or title), continue to lay claim to land which their fore fathers sold several years ago. They create roadblocks and check points to extort money from helpless citizens. Impunity in its raw form extols the might-is-right rule, rather than the law-is-right, particularly as many of the elites believe that they are above the law and can get away with everything, as many are not subject to the

law. It must be borne in mind that the 'omonile' principle is practiced both by government and powerful individuals in society. When government under any guise seizes personal property like they did when the Central Bank of Nigeria in August 2009 announced that it had dismissed the Chief Executive Officers of Intercontinental Bank, Union Bank, Afribank, Oceanic Bank and FinBank had acquired the banks without compensation¹⁵, it subverts property rights and discourages investment and entrepreneurship. Similarly, when individuals seize with impunity, what rightfully belongs to others, it amounts to the application and promotion of this retrogressive, repulsive, morbid, cruel and inhumane principle that has led to the loss of innocent lives and properties in some cases.

15 <http://saharareporters.com/news-page/updated-cbn-sacks-nigerian-bank-ceos-police-take-over-bank-premises>

Corruption is usually considered, alongside with the infrastructural deficit and decay, as the greatest challenges that Nigeria faces. Nigeria continues to be ranked by Transparency International as one of the most corrupt countries in the world. An aspect of corruption, which in the public sector is paramount, is the subversion of not only the means but also the ends of public sector activities. According to Susan Rose Ackerman, whenever an agent is given discretionary authority, corruption provides a way for the objectives of the higher authority to be undermined. This is why corruption that subverts the ends of public sector activities has an effect far more severe and damaging than the personal enrichment of unscrupulous officials. This is so as corruption defeats value for money, accountability and transparency in public sector activities. Political corruption has particularly damaging effects on the allocation of resources because it will produce an allocation that will be different from the one that would have been arrived at, through a corruption-free process. In other words, political corruption diverts resources from important functions and projects. However, a corruption-free legislature right-

Political corruption diverts resources from important functions and projects. However, a corruption-free legislature rightly allocates the resources to projects based on its interpretation of public needs and priorities

ly allocates the resources to projects based on its interpretation of public needs and priorities. The reason for this lethal diversion of public funds could be the search for political gains by building roads or bridges in only selected states. Misguided construction projects likewise are sometimes for political prestige purposes or simply because public works provide a fertile ground for obtaining substantial monetary rewards from privileged contractors, who in turn, will not have to submit to rigorous bidding processes to win contracts.

Political corruption will also have an effect on the allocation of resources among economic categories. For instance, when public sector employment is used as a reward for political loyalty, more resources will have to be devoted to wages. The use of the budget as an instrument for channeling subsidies to state enterprises for the purpose of providing employment to political allies will have the same effect on resource allocation. As a result of political corruption, the budget may end up to be larger than what macroeconomic considerations and a realistic fiscal policy would dictate. This in turn would lead to borrowing resources to finance a larger deficit and eventually imposing increased interest rates in years to come. The extreme case of political corruption is the manipulation of the apparatus of the state by political groups in order to use the redistributive functions of the state to divert public resources to the members of those groups. By also seizing the legislative powers of the state, the political group in power will use legislation to lock out rival political groups. In such a situation, those, who are locked out, will have to buy access to state economic activity by paying bribes. Thus, political corruption would no doubt

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lead to administrative corruption. But worse still, there is the father of all corruption that is engendered in election rigging. According to Adamu Adamu, who wrote in the Daily Trust of 18th April, 2014, "Electoral corruption is the highest form of corruption; for, it deprives people of their right to determine their leadership and future. It includes in it every manifestation of corruption: People are bribed, the entire state security apparatus is misused, public office is abused, oaths of offices are violated, rule of law sabotaged, judiciary is compromised; while, on top of all this, public resources are stolen to pay for the rigging".¹⁶

The Index of Economic Freedom (IEF) measures the degree of economic freedom present in five major areas: Size of Government; Legal System and Property Rights; Sound Money; Freedom to Trade Internationally; and Regulation. The index provides the following overview of the scores for Nigeria for 2009 - 2011 in the five major areas mentioned above. In the area of political institutions and civil liberty, the political institutions of Nigeria are largely undemocratic and elections since 2000 "have by and large been chaotic affairs often marked by vote-rigging and violence", according to Freedom House. In the Legal System and Property Rights sector of the index, Nigeria ranks 20th among African countries. Nigeria is among the "moderately not free" group in the Freedom House Political Rights measure. In the Polity Measure of Democracy, it ranks 14th, and ranks 9th in the Constraints on the Executive Component. Nigeria ranks 20th in the regional ranking of the Transparency International's Corruption Perceptions Index. These rankings are expressions of the regressive position of the nation.

The overall state of civil liberties in Nigeria is characterised by uncertainty and questionable conduct. Many freedoms are constitutionally guaranteed but often not respected in practice. Of the 26 countries in the region, Nigeria ranks 17th in the Reporters without Borders Press Freedom Index, indicating that journalists face threats and acts of violence in a bid by the government to suppress the truth. Nigeria ranks 9th in Freedom House's Freedom of the Press and is in the "moderately not free" group in the Freedom House Civil Liberties measure. According to Freedom House, "protests are often suppressed by state and private security forces, especially demonstrations organised by youth groups or in the Niger Delta ... dozens of activists have been killed"¹⁷.

There is no Nigerian or a true spectator of Nigeria who does not know that these are very serious challenges. And it is doubtful if the political terrain of Nigeria as currently structured will be able to successfully take on the above issues and deal with them, given that the people see politics as an avenue to fill their pockets with public funds and get

16 <http://www.dailytrust.info/index.php/columns/friday-columns/21946-and-are-we-not>
17 Index of Economic Freedom Report 2014 page 371

rich very quickly. Also, the cost of governance makes it difficult to target funds in the reduction of infrastructural decay. The brute force of jungle justice, impunity, greed and corruption that pervade the land collectively subvert the rule of law and property rights. Yet, giving up is not an option. Efforts must continue to be made. In order to establish a destination that should be focused, it is necessary to lay a few sign posts as guides of the journey and how to get to the desired destination. For this, it is desirous to look at Singapore, the best in class in the comparator group and see how they achieved this feat.

The Singapore story

The 2012 Index of Economic Freedom had this to say about Singapore:

"Singapore's economic freedom score is 87.5, making its economy the second freest in the 2012 Index. Its score is slightly higher than last year, reflecting gains in freedom from corruption and financial freedom that offset losses in labour and monetary freedoms. Singapore is ranked second out of 41 countries in the Asia-Pacific region, and its overall score remains significantly higher than the world average. The foundations of economic freedom in Singapore are firmly sustained with strong protection of property rights and effective enforcement of anti-corruption laws. The government is very efficient, with competitive tax rates and low government expenditures. The regulatory environment is flexible and transparent, encouraging vibrant commercial activity. A strong tradition of openness to global trade and investment continues to boost productivity while facilitating the emergence of a more dynamic and competitive financial sector. While the private sector has been the source of Singapore's economic success, the government maintains a proactive role in guiding economic development. State ownership and involvement in key sectors remain substantial. A government statutory entity, the Central Provident Fund, administers public housing, health care, and various other programmes, and public debt is over 90% of GDP.

Certain rights, such as freedom of assembly and freedom of speech, remain restricted, but the PAP has also embraced economic liberalisation and international trade. Singapore is one of the world's most prosperous nations. Its economy is dominated by services, but the country is also a major manufacturer of electronics and chemicals.

Rule of law: Contracts are secure, there is no expropriation, and the commercial court functions efficiently. Singapore has one of Asia's strongest intellectual property rights regimes, though enforcement could be improved. The government enforces strong anti-corruption measures. It is a crime for a citizen to bribe a foreign official or any other person, either within or outside of Singapore.

Limited government: The top income tax rate is 20%, and the top corporate tax rate is 17%. Other taxes include a value-added tax (VAT) and a property tax. The overall

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tax burden amounts to around 14% of total domestic income. With structural budget surpluses that sustain high public debt, government spending stands at 17% of GDP. The state remains involved in the economy through Singapore's many government-linked companies.

Regulatory efficiency: Starting a business takes only three days, and required procedures are streamlined. There is no statutory minimum wage, but wage adjustments are guided by the National Wage Council. Inflation is under control despite the challenging external environment. The government influences prices through regulation and state-linked enterprises and can impose controls as it deems necessary.

Open markets: The trade regime is open and competitive, and no tariffs are imposed on imports. Foreign and domestic businesses are treated equally under the law, and nearly all sectors of the economy are open to 100% foreign ownership. There are no requirements on current transfers or repatriation of profits. In the competitive financial sector, there are 120 commercial banks, 114 of which are foreign banks whose market share has increased." ¹⁸

How did Singapore become the most prosperous nation in the world with a per capita income of \$51,709 in 2012? The foundation of this prosperity is freedom from corruption and financial freedom.

In order to see what lessons can be learned from the Singaporean experience, attention needs to be turned to Lee Kuan Yew, the founding Prime Minister of Singapore who led the country for more than 30 years. Thankfully, he has documented his experiences in a book titled: *"From Third World to First - The Singapore Story, 1965 - 2008"*. Let us explore the key points made regarding Singapore's success.

The story opens with a preface to the book written by Dr Henry A. Kessinger, an extract of which stated: "Many post-colonial states have no comparable history. Tasks, which in the West were accomplished over centuries, were accomplished in a decade or two and under much more complex circumstance. Where the common national experience is colonial rule, especially when the state comprises diverse ethnic groups, political opposition is often considered an assault on the political validity of the state rather than of a par-

Every great achievement is a dream before it becomes reality and his vision was of a state that would not simply survive but prevail by excelling. Superior intelligence, discipline, and ingenuity would substitute for resources.

ticular government. Singapore is a case in point. As the main British naval base in the Far East, it had neither prospect nor aspiration for nationhood until the collapse of European power in the aftermath of the Second World War which redrew the political map of Southeast Asia.

In the first wave of decolonisation, Singapore was made part of Malaya until it's largely Chinese population proved too daunting for a state, attempting to define its national identity by a Malay majority. Malay extruded Singapore because it was not ready to cope with so large a Chinese population or, less charitably, to teach Singapore the habits of dependence if it was forced back into what later became the Malaysian Federation. But history shows that normally prudent, ordinary calculations can be overturned by extraordinary personalities. In the case of Lee Kuan Yew, (the father of Singapore's emergence as a nation state), the ancient argument whether circumstance or personality shapes events, is settled in favour of the latter. Circumstance could not have been less favourable by far the smallest country in Southeast Asia, Singapore seemed destined to become a client state of more powerful neighbours, if indeed it could preserve its independence at all. Lee Kuan Yew thought otherwise. Every great achievement is a dream before it becomes reality and his vision was of a state that would not simply survive but prevail by excelling. Superior intelligence, discipline, and ingenuity would substitute for resources. Lee Kuan Yew summoned his neighbours and their own ethnic divisions by superior performance. The Singapore of today is his testament. Annual per capita income has grown from less than \$1,000 at the time of Independence to nearly \$30,000 today (in 2000). It is the high-tech leader of Southeast Asia, the commercial entrepot, the scientific centre. Singapore plays a major role in politics and economics of Southeast Asia and beyond.¹⁹

The enormity of the challenges that Singapore faced were noted by Lee Kuan Yew himself as follows:

"There are books to teach you how to build a house, how to repair engines, how to write a book. But I have not seen a book on how to build a nation out of a disparate collection of immigrants from China, British India, and the Dutch East Indies, or how to make a living for its people when its former economic role as the entrepot of the region is becoming defunct. We face tremendous odds with an improbable chance of survival. Singapore was not a natural country but man-made, a trading post the British had developed into

From the word go, LKY accepted that the natural course of events is chaos, disorder and confusion and that it takes the grit of hard work, ceaseless efforts and attention from a honest and effective government, to make the situation different

19 Lee Kuan Yew. (2000). *From Third World to First – The Singapore Story 1965 – 2008*. HarperCollins

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nodal point in their worldwide maritime empire. We inherited the island without its hinterland, a heart without a body”.

The first part of the above is an attestation by an eminent legend of our time, who will always call a spade a spade, setting out clearly the facts that Singapore in 1965 faced severe odds and that the country was given a chance to succeed but for the foresight and prudence of Lee Kuan Yew (LKY). This is a true success story that has a clear hero and a true leader of the people; a visionary and a manager of resources. Nigeria is a country that is still in search of a hero that people can look up to. In terms of this discourse, a heroic figure, who will take the bull by the horn and lead the country out of the morass that it faces and takes it to the Promised Land where it ought to be. The Singaporean story shows clearly that Nigeria is not by any means a basket case and should, therefore, not be haunted by a woeful past but should forge ahead to greater achievements. All that is required is a bold and upright leader with a clear vision as to the destination that will remain faithful to the mission and the journey, however difficult or turbulent.

From the word go, LKY accepted that the natural course of events is chaos, disorder and confusion and that it takes the grit of hard work, ceaseless efforts and attention from a honest and effective government, to make the situation different: “We cannot afford to forget that public order, personal security, economic and social progress, and prosperity are not the natural order of things, that they depend on ceaseless effort and attention from an honest and effective government that the people must elect”. This is worth repeating to those, who care to listen, that nation building is not easy and that it takes selfless and dedicated hard work by an honest team with a clear vision of the future state to rigorously pursue same. This is a pre-requisite for success, without which the people will only grope in the dark. The importance of efficient transport infrastructure and, as underscored by the provision of services cheaper than competitor countries, was emphasised by the following LKY conviction:

“...he dispelled my previous belief that industries changed gradually and seldom moved from an advanced country to a less-developed one. Reliable and cheap air and sea transport made it possible to move industries into new countries provided their people were disciplined and trained to work the machines, and there was a stable and efficient government to facilitate the process for foreign entrepreneurs. On my first official visit to America in October, 1967, I recounted to 50 business people at a luncheon in

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Chicago how Singapore had grown from a village of 120 fishermen in 1819 to become a metropolis of two million. This was because its philosophy was to provide goods and services 'cheaper and better than anyone else, or perish'. They responded well because I was not putting my hand out for aid, which they had come to expect of leaders from newly independent countries. I noted their favourable reaction to my 'unbegging bowl' approach".

Singapore went out of its way to woo and court investors by taking the following actions:

- They created political, economic, financial stability and sound labour policy.
- They chose a two-prong approach: First was to "leapfrog" the country and secondly to woo Multi-national Corporations (MNCs). The government played a vital role in attracting foreign investments by building the infrastructures and providing well-planned industrial estates. Also, equity participation in industries, fiscal incentives, export promotion, establishing good labour relations and sound macroeconomics all contributed to the success and development of the country.
- The government showcased the beauty of the country with a magnificent road from the airport to the town. One shudders when riding on the dilapidated road from the Murtala Mohammed International Airport to town or from the Apapa port to town. What will be on an investor's mind on his first visit to Nigeria? What impression will be created in his mind by the dirty airport and the overcrowded immigration area or the tardiness of the attendants at the airport? Bearing in mind that the competition for global investment is a fierce one, the Lagos ports, the roads and the personnel give the nation 50% right from the first impression. The book 'Blink' teaches the importance of first impression.²⁰

According to LKY, they looked for political, economic, financial stability and sound labour relations to make sure that there would be no disruption in production to supply their customers and subsidiaries round the world.

"I gradually crystallised my thoughts and settled on a two-pronged strategy to overcome our disadvantages. The first was to leapfrog the region, as the Israelis had done. This idea sprang from a discussion I had with a UNDP expert who visited Singapore in 1962. Anyway, Singapore had no natural resources for Multinational Companies (MNCs) to exploit. All it had were hard-working people, good basic infrastructure and

What will be on an investor's mind on his first visit to Nigeria? What impression will be created in his mind by the dirty airport and the overcrowded immigration area or the tardiness of the attendants at the airport?

²⁰ Malcolm Gladwell. (2005). *Blink (The Power of Thinking without Thinking)* Back Bay Books, Little, Brown USA

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a government that was determined to be honest and competent. Our duty was to create a livelihood for two million Singaporeans. If MNCs could give our workers employment and teach them technical and engineering skills and management know-how, we should bring in the MNCs.

The government played a key role in attracting foreign investments. We built the infrastructure and provided well-planned industrial estates, equity participation in industries, fiscal incentives and export promotion. Most importantly, we established good labour relations and sound macroeconomics.

We welcomed everyone, but when we found a big investor with potential for growth we went out of our way to help it get started. Visiting CEOs used to call on me before they made their investment decisions. I thought the best way to convince them was to ensure that the roads from the airport to their hotel and to my office were neat and spruce, lined with shrubs and trees. When they drove into the Istana domain, they would see right in the heart of the city, a green oasis, 90 acres of immaculate rolling lawns and woodland and nestling between them a nine-hole golf course. Without a word being said they would know that Singapore were competent, disciplined, and reliable, a people who would learn the skills they required soon enough.”²¹

Each statement underscores economic freedom and how they turned each pillar into positive action. Come to think of it, the Index of Economic Freedom did not even exist at that time! The emphasis on the rule of law and building confidence of investors was made very evident in the steps that Singapore took to build a robust and first class financial centre. Foreign bankers needed to be assured of stable social conditions, good working and adaptable professionals. They built Singapore into a centre of credibility, a place of integrity, and developed the officers with the knowledge and skills to regulate and supervise the banks, security houses and other financial institutions so that the risk of systemic failure is minimised. Their rule of law was based on an independent judiciary and a stable, competent and honest government that pursued sound macroeconomic policies, with budget surpluses almost every year. LKY stated that: “Unlike Hong Kong, Singapore could neither ride on the reputation of the City of London, an established financial centre with its long history of international banking, nor depend on the backing of the Bank of England as a symbol of financial expertise, reliability and trustworthiness. In 1968, Singapore was a Third World country. Foreign bankers needed to be assured of stable social conditions, good working and adaptable professionals.

21 Lee Kuan Yew (2000). *From Third World to First – The Singapore Story 1965 – 2008* HarperCollins Page 56 -62

“The Monetary Authority of Singapore (MAS) has been professional in its financial supervision working according to laws, rules and regulations that were periodically reviewed and revised to keep pace with developments in financial services. We had competence and judgment. The history of our financial centre is the story of how we built up credibility as a place of integrity, and developed the officers with the knowledge and skills to regulate and supervise the banks, security houses and other financial institutions so that the risk of systemic failure is minimised. The foundations for our financial centre were the rule of law, independent judiciary and a stable competent and honest government that pursued sound macroeconomic policies, with budget surpluses almost every year. This led to a strong and stable Singapore dollar, with exchange rates that dampened imported inflation”.

“If I have to choose one word to explain why Singapore succeeded, it is confidence. This was what made foreign investors site their factories and refineries here. Within days of the oil crisis in October 1973, I decided to give a clear signal to the oil companies that we did not claim any special privilege over the stocks of oil they held in their Singapore refineries. If we blocked export from those stocks, we would have enough oil for our own consumption for two years but we would have shown ourselves to be completely undependable. I met the CEOs or managing directors of all the oil refineries – Shell, Mobil, Esso, Singapore Petroleum and British Petroleum on 10th November 1973. I assured them publicly that Singapore would share in any cuts they impose on the rest of their customers on the principle of equal misery. Their customers were in countries as far apart as Alaska, Australia, Japan, and New Zealand, besides those in the region. This decision increased international confidence in the Singapore government that it knew its long-term interests.”²²

There was a concerted and determined effort to root out corruption from the word go. This was primarily based on strengthening the courts to speedily conclude and dispose corruption cases. As regards the application of hefty fines, LKY explains that “In 1963, we made it compulsory for witnesses summoned by the Corrupt Practices Investigation Bureau (CPIB) to present themselves to give information. In 1989, we increased the maximum fine for corruption from \$10,000 to \$100,000. Giving false or misleading information to the CPIB became an offence subject to imprisonment and fine of up to \$10,000 and the courts were empowered to confiscate the benefits derived from corruption. Corruption used to be organised on a large scale in certain areas. In 1971, the CPIB broke up a syndicate of over 250 mobile squad policemen, who received payments, ranging from \$5 to \$10 per month from truck owners, whose vehicles they recognised by the addresses painted on the sides of the truck. Those owners who refused to pay would be constantly harassed by having

22 Lee Kuan Yew, (2000). *From Third World to First – The Singapore Story 1965 – 2008*. Page 68,72-73, 95 HarperCollins

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summonses issued against them. Customs officers would receive bribes to speed up the checking of vehicles smuggling in prohibited goods. Personnel in Central Supplies Office (the government procurement department) provided information on tender bids for a fee. Officers in the import and export department received bribes to hasten the issue of permits. Contractors bribed clerks of works to allow short-piling. Public health labourers were paid by shop-keepers and residents to do their job of clearing refuse. Principals and teachers in some Chinese schools received commissions from stationery suppliers.

Human ingenuity is infinite when translating power and discretion into personal gain. A pre-condition for an honest government is that candidates must not need large sums of money to get elected or it will trigger the cycle of corruption. The bane of most countries in Asia has been the high cost of elections. Having spent a lot to get elected, winners must recover their cost and also accumulate funds for the next election. The system is self-perpetuating. "Commercial democracy is the purchased mandate". In 1996, some 2,000 candidates spent about 30 billion Baths (US\$1.2 billion). One prime minister was called Mr. ATM (Automatic Teller Machine) because he was renowned for dispensing cash to candidates and voters. He retorted that he was not the only ATM.

"In Malaysia, United Malays National Organisation (UMNO) leaders call it "money politics". In his speech to party delegates in October 1996, Prime Minister Dr. Mahathir Mohammad noted that some candidates vying for higher positions had been giving bribe and gifts to delegates in exchange for votes. We made sure from the day we took office in June 1959, that every dollar in revenue would be properly accounted for and would reach the beneficiaries at the grass roots as one dollar, without being siphoned off along the way. So, from the very beginning we gave special attention to the areas where discretionary powers had been exploited for personal gain and sharpened the instruments that could prevent, detect, or deter such practise, like the Corrupt Practices Investigation Bureau (CPIB).

"We decided to concentrate on the big takers in the higher echelons and directed the CPIB on our priorities. As we ran into problems in securing convictions in prosecutions, we tightened the law in stages.

"The existing law that the evidence of an accomplice was unworthy of credit unless corroborated was changed to allow the judge to accept the evidence of an accomplice. The most effective change we made in 1960 was to allow the courts to treat proof that an accused was living beyond his or her means or had property his or her income could not explain as corroborating evidence that the accused had accepted or obtained a bribe."²³

23 From Third World to First - The Singapore Story 1965 - 2008 Lee Kuan Yew HarperCollins (2000)
Page 160 - 164

The above is a contrast to the Nigerian state, where the problems inhibiting the rule of law and proper administration of justice is the increased abuse of court processes by lawyers and their clients. In some cases, there is active connivance and participation among some unscrupulous judges on the bench who are entrusted with very wide powers and who forget that those powers come with the responsibility to be fair to all.

There is a lot we can learn from how Singapore toiled to transform their country from a hopeless case without a future, to the most prosperous country in the world by ensuring that economic freedom was extolled. There is the need for government to create First World standards in public and personal security, health, education, telecommunications, power and transportation services. This enabling environment is *sine qua non* in terms of laying the foundation to enhance the country's economic growth rates.

Support and help the poor, however small

Economic freedom has done more for the poor throughout the world than any taxpayer-funded social programme or welfare check ever could. This system that has been discussed is based on individual freedom, private property, limited government, and limited regulation, has improved the lives of millions of people worldwide. Every year, the results of The Heritage Foundation's Index of Economic Freedom reinforce the conclusion that the world's freest economies have less human poverty and higher living standards. Nevertheless, there are still so many people left behind in abject poverty that the ideas espoused so far, can never truly fully solve all the problems. At any rate, there are the physically challenged that will require to be looked after even if abject poverty is fully eradicated, though absolute poverty eradication is utopian and will take a very long time to happen if it ever happens at all. A safety net that could support these group of people and empower the generationally poor is absolutely necessary, particularly as this group has grown to a significant level in Nigeria. The cash transfer scheme is an interesting safety net support worth exploring in this regard. The idea of cash transfers to the poor, a form of social assistance programme that emerged in the mid-1990s, has recently captured increased attention from policy-makers and scholars due to the increasing number of countries that have been adopting such programmes.²⁴ Today, these types of programmes are the most common social assistance

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²⁴ Ariel Fiszbein and Norbert Schady. (2009). Conditional Cash Transfers: Reducing Present and Future Poverty. World Bank Policy Research Report No. 47603. <http://documents.worldbank.org/curated/>

interventions in many emerging and less-developed economies, especially in Latin America, and more recently in Africa and Asia.

Cash transfers are increasingly popular both within the donor community and among

The cash transfer scheme is an interesting safety net support worth exploring.

policy-makers in developing countries that are seeking more innovative ways to improve welfare. The idea behind cash transfer programmes is that distributing cash to the poor seems more efficient than public-sector spending. There are different variations of cash transfers, but they can be grouped into two types: conditional or unconditional. Although unconditional cash

transfers, such as pensions to the elderly, are still in place and represent a significant amount of money in public budgets, the introduction of conditionality on cash transfers has become more popular among governments, because of the political benefits that can accrue to the ruling party or the central government. Adding requirements that the poor “transform the money into viable business” might be necessary in helping to make cash transfers politically acceptable even while having little to do with the eventual success or failure of the programme in meeting its goals. Conditional Cash Transfer (CCT) programmes aim to break the inter-generational transmission of poverty by conditioning payments on compliance with co-responsibilities intended to develop children’s human capital. By introducing these programmes, proponents expect that conditions would allow the accumulation of sufficient human capital to drive the next generation out of poverty so that social assistance would no longer be needed in the future.²⁵

Sadly, many of the countries that have introduced cash transfer programmes have not made any improvements in advancing economic freedom. Structural policy changes that foster the key elements of economic freedom are needed to break the inter-generational transmission of poverty. Delays in the implementation of such policies are typically the main reason why some countries fail to eradicate poverty or provide higher living standards for their inhabitants. One of the main arguments by the proponents of cash transfer programmes is discussed by Ariel Fiszbein and Norbert Schady as follows: “Although market-driven economic growth is likely to be the main driver of poverty reduction in most countries, markets cannot do it alone. Public policy plays a central role in providing the institutional foundations within which markets operate, in providing public goods, and in correcting market failures. In addition to laying the foundations for economic growth, the policy can supplement the effects of growth on poverty reduction, and one of

en/2009/01/10298306/conditional-cash-transfers-reducing-present-future-poverty (accessed February 14, 2013).

25 Marco Stampini and Leopoldo Tornarolli, (2012). The Growth of Conditional Cash Transfers in Latin America and the Caribbean: Did They Go Too Far? Institute for the Study of Labour Policy Paper No. 49, <http://ftp.iza.org/pp49.pdf>

the instruments that governments can use to that end is direct redistribution of resources to poor households²⁶. Under this premise, CCT programmes have received significant and increasing attention. Many countries in the developing world have created programmes that make regular payments to poor households conditional. These conditions include, those households that undertake pre-specified actions such as periodic health and nutrition check-ups, growth monitoring, and vaccinations for children under five years of age. Educational conditions usually include school enrolment and attendance on 80%–85% of school days, but in many cases, there are no measures of performance.

By 2011, at least 18 countries in Latin America had implemented such programmes. Elsewhere, there are large-scale CCT programmes in Bangladesh, Indonesia, and Turkey and pilot programmes in Cambodia, Malawi, Morocco, Pakistan, and South Africa, among others. In Latin America alone, the number of beneficiaries grew from 38 million in 2001 to 135 million in 2010. The largest programmes in terms of absolute coverage are located in Mexico and Brazil. In Mexico, the programme is called *Oportunidades*. It started in 1997 with 300,000 beneficiary households and now covers almost six million households. In Brazil, *Bolsa Familia* started in the municipalities of Brasilia and Campinas and now serves 11 million families (58 million people) countrywide. The smallest programme in terms of coverage is located in Chile, serving 215,000 households. In terms of relative coverage, programmes range from approximately 40% of the population (Ecuador) to about 20% (Brazil and Mexico) to 1% (Cambodia). Santiago Levy and Norbert Schady show that for 16 countries in Latin America, average coverage is one out of every four households²⁷. In terms of budget, the costs range from about 0.50% of Gross Domestic Product (GDP) in such countries as Brazil, Ecuador, and Mexico to 0.08% of GDP (Chile). The generosity of benefits ranges from 20% of mean household consumption in Mexico to 4% in Honduras and even less for programmes in Bangladesh, Cambodia and Pakistan.

Oportunidades: Mexico's *Oportunidades* programme has its roots in a predecessor programme, *Progresa*, initiated under President Ernesto Zedillo and the *Partido Revolucionario Institucional* (PRI) in 1997. *Progresa*, the first large-scale CCT, focused on promoting education, health, and nutrition among the poor in rural Mexico. The programme was submitted to evaluation after its first year, and studies

Since its beginning, *Oportunidades* has been subject to randomised evaluations, and results show that school enrolment and preventive health care utilisation have increased.

26 Fiszbein and Schady. Conditional Cash Transfers: Reducing Present and Future Poverty. p. 8

27 Santiago Levy and Norbert Schady. (2013) Latin America's Social Policy Challenge: Education, Social Insurance, Redistribution. *Journal of Economic Perspectives* Vol. 27, No. 2 <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.2.193>

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demonstrated that it positively affected school attendance and the frequency of health clinic visits among its beneficiaries, in addition to reducing the number of families living in extreme poverty by nearly 3% during its first five years of operation. Despite initial scepticism, President Vicente Fox and the Partido Acción Nacional (PAN) decided to maintain the programme upon coming to power in 2000. In 2002, Fox puts his own stamp on the programme, changing its name to Oportunidades, emphasising the importance of co-responsibility between the government and the poor, and extending the programme's reach both to involve a greater proportion of the rural poor and to include the urban and semi-urban poor.

The monthly cash transfer under Oportunidades is \$20 per family per month. Since its beginning, Oportunidades has been subject to randomised evaluations, and results show that school enrolment and preventive health care utilisation have increased. The programme helped to increase enrolment in secondary school by 6% points for boys and 9% points for girls. For girls, who often drop out before secondary school, the number of those making the transition to secondary school increased by 15% points. Children in the programme also entered school at an earlier age and repeated fewer grades. Oportunidades had relatively little impact, however, on school attendance rates, on achievement on standardised tests, or in bringing dropouts back to school. Health visits increased by 18% in Oportunidades localities, and illnesses among Oportunidades children up to five years old were reduced by 12%. Stunting was reduced in Oportunidades children by 10 points. Although the exact mechanism that triggers improvement is not known with certainty, it may result from one or several programme characteristics, such as the provision of higher incomes that permit increased expenditure on food, growth monitoring and information about nutrition and child care, or nutritional supplements.

Bono Juancito Pinto: Bolivia's Bono Juancito Pinto (BJP) programme was implemented in 2006 by President Evo Morales to encourage parents to send their children to school. If a child attends school at least 80% of the time, parents receive approximately \$30 at the end of the academic year. This programme is funded mainly by natural resource revenues from the state-owned oil and mining companies. At the beginning, the bonus was supposed to be given only to students in public schools between first and fifth grades. However, government has relaxed the requirements each year, and since 2013, students in public schools from first to tenth grade have received the bonus. The total amount spent on the programme has increased from \$27 million in 2006 to \$60 million in 2013, which represents 0.25% of Bolivia's nominal GDP. Student coverage has increased from one million to nearly two million. These numbers merit some scepticism. A comparison of numbers from the Minister of Economy, in charge of giving the bonus, and the Minister of Education shows that the number of students, receiving the bonus

every year is greater than the number of students enrolled in school each year.²⁸ To date, no official evaluation document has been issued by the Bolivian government. However, a few attempts have been made recently to evaluate the programme's impact according to its objective. Using micro simulation techniques, Ernesto Yañez Aguilar finds that the BJP has had a positive impact on reducing school absenteeism in primary schools, has helped to reduce the extreme poverty rate, and has improved income distribution, especially in the rural area.²⁹ Flavia Marco Navarro shows that the programme has had a positive impact on school attendance and a slight impact on the dropout rate, while the effect on enrolment is less clear³⁰.

On the other hand, Sergio Daga and Roberto Orihuela find that the net enrolment rate for beneficiaries of the bonus (students from first to eighth grade) has not increased; actually, it decreased from 94% in 2006 to 82% in 2011. The drop is especially surprising given that the net enrolment rate for students that do not benefit from the bonus increased from 60% in 2005 to 70% in 2011. Additionally, the study shows that dropout rates among beneficiaries have decreased, so any possible impact of the bonus is unclear. Most shocking is that the failure rate among beneficiaries of the bonus increased sharply from less than 1% in 2005 to 6.1% in 2011, while the failure rate among those, who do not benefit from the bonus, decreased from 7.4% in 2006 to 5.7% in 2011. There have been concerns, however, about cash transfer programmes. According to Santiago Levy and Norbert Schady, careful randomised evaluations of some CCT programmes in Latin America have shown that, on the average, they have increased school enrolment and attendance and the utilisation of preventive health services. However, despite these apparently positive results, there are concerns regarding conditional cash transfers. Firstly, there is the argument that the public services attached to the programmes are of poor quality. While cash transfer programmes have increased school enrolment, the evidence on whether the additional schooling results in better learning outcomes for children, who were brought into school by these programmes, is mixed. Although the reasons for the poor standard are not clear, the poor quality of education and the fact that many of the children, who were brought into school, are drawn from the lower end of the distribution of ability are probably part of the explanation. More generally, while conditional cash transfers have increased the utilisation of health and educational services, impacts on final human capital outcomes have been more limited. As a result, the effect that conditional cash transfers have on reducing the inter-generational transmission of poverty – a key objective of these programmes – may be limited.

28 <http://www.asociacionail.com/publicaciones/159-desarrollo-economico-y-pobreza-en-america-latina>

29 <http://www.iisec.ucb.edu.bo/papers/2011-2015/iisec-dt-2012-06.pdf>

30 <http://www.eclac.org/publicaciones/xml/1/48161/ElbonoJuancitoPinto.pdf>

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Secondly, there is the argument that these programmes reduce the incentive for people to work and engage in self-improvement. In some cases, the transfers may be so large that they can have a negative effect on incentives to work. In Ecuador and Mexico, transfers have increased substantially in magnitude. In Mexico's

"No economic system in history has been as successful at lifting people out of poverty as that of capitalism and free trade based on principles of economic freedom."

Progresa (since renamed Oportunidades), transfers are now equivalent to over 40% of household pre-transfer income in the lowest quintile of the distribution. Transfer income also represents a sizeable share of total income in Ecuador, where the programme is also very large in scope, covering almost 40% of the population. If leisure is a normal good, we might expect that the income effect of transfers of this magnitude would reduce labour supply. Moreover, many of the cash transfer programmes periodically "re-certify" beneficiaries to ensure that they are still poor enough to qualify for continued eligibility. This obviously introduces an incentive for households to continue to be (or at least appear to be) poor. Adriana Camacho and Emily Conover show that once the exact formula used to calculate the "proxy means test" that determined eligibility for Colombia's Familas en Acción programme was made public, there was substantial heaping of households just below the cut-off value.

In 1979, Nobel Laureate Milton Friedman stated, "No economic system in history has been as successful at lifting people out of poverty as that of capitalism and free trade based on principles of economic freedom." He also remarked that: "There is no alternative way so far discovered of improving the lots of ordinary people that can hold a candle to the productive activities that are unleashed by a free enterprise system."³¹ This is indisputable, however, with the stubbornly high level of poverty in Nigeria together with the low primary education completion rate, one would have advocated a form of conditional cash transfer to address the high poverty level and to enhance the primary education completion rate. The worry, however, is that such a programme will be seriously abused given our penchant for insincerity and corruption. Nevertheless, this is not enough reason not to try CCT as a key programme of government in the fight against poverty. The conditions could be tied to a verifiable form of employment when beneficiaries, except for those that are disabled, only qualify when it is confirmed that they are gainfully engaged and the transfers to them should be made in the form of input subsidy or guaranteed price for legitimately declared and verified output for those in agriculture or other activity or for enhancement of income for those in low salary employment. What is clear is that

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31 Anthony B. Kim and Ambassador Terry Miller, (2012). Commemorating Milton Friedman's 100th Birthday with the Index of Economic Freedom, Heritage Foundation Special Report No. 114, July 31 http://thf_media.s3.amazonaws.com/2012/pdf/sr114.pdf

poverty has reached such an alarming level that doing nothing is no longer an option. Government can no longer turn a blind eye and expect trickledown economics, whether berthed in economic freedom or otherwise, not to make the required impact on the very high poverty level and unemployment in Nigeria.

Aim high, join the club

The free-market system that is rooted in economic freedom has fuelled unprecedented economic growth around the world. Over the past two decades the global economy has moved towards greater economic freedom, achieving a “moderately free” standard overall. The world economy achieved real GDP expansion by around 70%, lifting hundreds of millions of people out of poverty. With global economic freedom rising, the world has recorded significant economic growth, and the global poverty rate has been cut in half. Opening the gates of prosperity to ever more people around the world, economic freedom has made the world a profoundly better place. Any discussion about advancing economic freedom is essentially a story of the empowerment of people. Strengthening and expanding freedom improves each individual’s chance to achieve his or her goals and own and enjoy the value of what he or she creates. People crave liberation from poverty, and they hunger for the dignity of free will.

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By reducing barriers to these fundamentals, the forces of economic freedom create a framework in which people can fulfill their dreams of success. The important goals of economic policy in almost every country in the world is to increase the rate of economic growth. There is strong support within the Economic Freedom global database for the idea that improvements in economic freedom generate significant economic growth rates. Key drivers of this economic growth and poverty reduction are the high levels of flexibility and resilience that come with economic freedom. Undeniably, countries moving toward greater economic freedom tend to achieve higher rates of growth in per capita GDP over time. In all of the three specific periods examined in this 20-year Index database, the average annual per capita economic growth rates of countries that have grown economic freedom most are at least 50% higher than those countries where freedom has stagnated or eroded. Even better, advancing economic freedom produces dynamic and inclusive growth for ordinary people in a society. Economic freedom, cultivated by the rule of law, limited government, regulatory efficiency, and open markets, has proven to be critical to generating the broader based economic growth that cre-

Pursuit of greater economic freedom is thus an important stepping stone to democracy. It empowers the poor and builds the middle class.

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ates opportunities in all sectors of the society. By empowering people to exercise greater control of their daily lives, economic freedom ultimately nurtures political reform as well as makes it possible for individuals to gain the economic resources necessary to challenge entrenched interests or compete for political power, thereby encouraging the creation of more pluralistic societies. Pursuit of greater economic freedom is thus an important stepping stone to democracy. It empowers the poor and builds the middle class. It is a philosophy that encourages entrepreneurship and disperses economic power and decision-making throughout an economy. Also notably, in countries around the world, economic freedom has been shown to increase countries' capacity for innovation and to improve overall environmental performance as well.

The top 10 freest economies make up a high performing group that has demonstrated persistent commitment to the principles of economic freedom. Hong Kong maintained its status as the world's freest economy, a remarkable distinction that it has achieved for 20 consecutive years. Singapore, the second freest economy, has closed the gap between itself and Hong Kong to only 0.7, closely followed by Australia, Switzerland, New Zealand, and Canada. The Federal Government of Nigeria should step forward and up the need to attract national and international investors by enhancing economic freedom and improving the competitive environment. Investors weigh business risk, they look at political, economic and financial stability together with sound labour relations that will ensure that there will be no hindrances in smooth production processes. This can only be achieved if the fight against corruption is rekindled and no effort is spared to ensure that political and economic restructuring of the country is put on a faster track.

The Federal Government of Nigeria should step forward and up the need to attract national and international investors by enhancing economic freedom and improving the competitive environment. Investors weigh business risk, they look at political, economic and financial stability

CHAPTER FIVE

In a global village

Money like health, love, happiness, and all forms of success that you want is the result of living purposefully. It is not a goal unto itself.

– Dr Wayne Dyer

- In a global village, we are either competitive or we languish in penury
- An unworthy class
- A depressing reading
- The challenge with the basics
- A state of dermal
- The leadership challenge
- Increasing the competitiveness of the Nigerian economy: The way forward

In a global village, we are either competitive or we languish in penury

Competitiveness as a concept is typically employed in many contexts. The competitiveness of an enterprise can be described as the ability of individual entities to maintain or increase market share on a sustained basis or the ability of entities to either lower costs or offer products of superior quality at a premium price. National competitiveness, on the other hand, does not simply mean a linear aggregation of the competitiveness of individual firms but requires the consideration of a broader set of issues, which could include factors such as productivity, technological innovation, investments, export and import prices, trade and capital balances, working conditions, taxes, political stability and so on. The range of factors, which create or enhance national competitiveness, include bountiful natural resources, cheap and abundant labour, superior management capabilities, favourable government policies and

In particular, today's globalising economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the economy.

environment (macroeconomic, industrial, trade etc.). None of the above elements in and

Competitive economies drive productivity enhancements which boost high income by ensuring that the mechanisms enabling solid economic performance are in place.

of itself provides a satisfactory explanation for the term 'competitiveness'. There are often more complex sets of forces that determine the competitiveness of an economy and these include openness of the economy, government involvement in the domestic economy, implementation of policies like legal, regulatory, environmental and civil policies, size and transparency of financial institutions, availability of physical infrastructure, environment and energy, management skills, science and technology capability and facilities. Other factors are peoples' skills and access to education, unemployment levels, working hours,

welfare and social services, equality of opportunities, quality of life and attitudes to work. Ultimately, national competitiveness can be equated with national productivity - the efficiency level at which a nation's labour and capital is employed.

Competitive economies drive productivity enhancements which boost high income by ensuring that the mechanisms enabling solid economic performance are in place. Competitiveness is defined as the set of institutions, policies, and factors that determine the level of productivity of a country¹. The level of productivity, in turn, sets the level of prosperity that can be earned by an economy. The productivity level also determines the rate of returns obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is more likely to sustain growth.

Although the productivity of a country determines its ability to sustain a high level of income generation, it is also one of the central determinants of the country's returns on

An economy is well served by businesses that are run honestly with managers that abide by strong ethical practices in their dealings with the government, other firms, and the public at large.

investment, and a key factor in the explanation of an economy's growth potential. The process by which an economy upgrades and its productivity grows is guided through a series of enablers, which also serve as the intermediate indicators of competitiveness. Understanding the factors behind this process has occupied the minds of economists for hundreds of years, engendering theories ranging from Adam Smith's theory on specialisation and division of labour, to neoclassical economists' emphasis on investment in capital and infrastructure. 'These economists have more recently focused their interest in other mechanisms such

1 The Global Competitiveness Report 2012-2013

as education and training, technological progress, macroeconomic stability, good governance etc. The Global Competitive Index has codified these fundamentals into 12 pillars, which are discussed below. While all of these factors are likely to be important for competitiveness and growth, they are not mutually exclusive—two or more of them can be significant at the same time.

First pillar: Institutions

The institutional environment is determined by the legal and administrative framework within which individuals, firms, and governments interact to generate wealth. It influences investment decisions and the organisation of production and plays a key role in the way societies distribute the benefits and bear the costs of development strategies and policies. For example, owners of land, corporate shares, or intellectual property right are usually unwilling to invest in the improvement and upkeep of their properties if their rights as owners are not protected. Government attitude towards markets and freedoms and the efficiency of the operations of these markets is also very important. Excessive bureaucracy and red tape, over-regulation, corruption, dishonesty in dealing with public contracts, lack of transparency and trustworthiness, inability to provide appropriate services for the business sector, and political dependence of the judicial system, are all factors which impose significant economic costs to businesses and slow down the process of economic development. In addition, the proper management of public finances is also critical to ensuring trust in the national business environment. Private institutions likewise are an important element in the process of creating wealth. The recent global financial crisis, along with numerous corporate scandals, have highlighted the relevance of accounting and reporting standards. The crisis has also exposed the need for transparency to prevent fraud and mismanagement, ensure good governance, and maintain investor/consumer confidence. An economy is well served by businesses that are run honestly with managers that abide by strong ethical practices in their dealings with the government, other firms, and the public at large.

Second pillar: Infrastructure

Extensive and efficient infrastructure is critical in ensuring the effective functioning of the economy, as it is an important factor in determining the location of economic activities and the kinds of activities or sectors that can develop in a particular instance. Well-developed infrastructure reduces the effect of distance between regions, integrating the national market and connecting it at a lower cost to markets in other countries and regions. In addition, the quality and extensiveness of infrastructure networks significantly impact economic growth and reduce income inequalities and poverty in a variety of ways. A well-developed transport and communications infrastructure network is a prerequisite for the access of less-developed communities to core eco-

conomic activities and services. Effective modes of transportation—including quality roads, railroads, ports, and air transport—enable entrepreneurs to get their goods and services to the market in a secure and timely manner, to facilitate the movement of workers. Economies also depend on electricity supplies that are free of interruptions and shortages so that businesses and factories can work unimpeded. Also, a solid and extensive telecommunications network allows for a rapid and free flow of information, which increases overall economic efficiency by helping to ensure that businesses can communicate and make decisions through economic actors, taking into account all the available relevant information at their disposal.

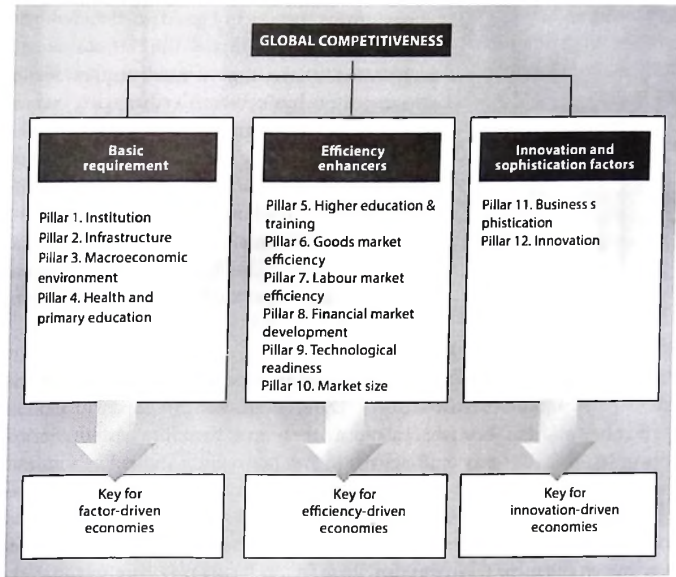
Third pillar: Macroeconomic environment

The stability of the macroeconomic environment is important for business and, therefore, is necessary for the overall competitiveness of a country. Although it is certainly true that macroeconomic stability alone cannot increase the productivity of a nation, it is also recognised that macroeconomic instability harms the economy thereby making it impossible for the economy to grow in a sustainable manner.

Fourth pillar: Health and primary education

A healthy workforce is vital to a country's competitiveness and productivity. An unhealthy workforce reduces the aggregate potentials of the economy making it less productive. Workers, who are ill, cannot function well in such bad conditions. Poor health costs businesses significantly, as sick workers are often absent or operate at lower levels of efficiency. Investment in the provision of health services is thus critical for obvious economic, as well as moral reasons. In addition to health, this pillar takes into account the quantity and quality of the basic education received by the population. Basic education increases the efficiency of each individual worker. Moreover, workers who have received little formal education can carry out only simple manual tasks and find it much more difficult to adapt to more advanced production processes and techniques, and therefore contribute less or nothing in terms of innovation. In other words, lack of basic education can become a constraint in business development, with firms finding it difficult to move up the value chain by producing more sophisticated or value-intensive products with existing human resources.

Figure 5.1: The Twelve Pillars of Global Competitiveness



Fifth pillar: Higher education and training

Quality higher education and training is particularly crucial for economies that want to move up the value chain beyond simple production processes and products. In particular, today's globalising economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the economy. This pillar measures secondary and tertiary enrolment rates as well as the quality of education, as evaluated by the business community. The extent of staff training is also taken into consideration because of the importance of vocational and continuous on-the-job training — which is neglected in many economies — for ensuring constant upgrading of workers' skills.

Sixth pillar: Goods market efficiency

Countries with efficient goods markets are well positioned to produce the right mix of products and services given their particular supply-and-demand conditions, as well as to ensure that these goods can be most effectively traded in the economy. Healthy market

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competition, both domestic and foreign, is important in driving market efficiency and thus business productivity by ensuring that the most efficient firms, producing goods demanded by the market, are those that thrive. The best possible environment for the exchange of goods requires minimal impediments to business activity through government intervention. For example, competitiveness is hindered by distortionary or burdensome taxes and by restrictive and discriminatory rules on foreign direct investment (FDI) — limiting foreign ownership — as well as on international trade. Market efficiency also depends on demand conditions such as customer orientation and buyer sophistication.

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Seventh pillar: Labour market efficiency

The efficiency and flexibility of the labour market is critical for ensuring that workers are allocated to their most effective sectors in the economy and provided with incentives to give their best effort in their jobs. Labour markets must therefore have the flexibility to shift workers from one economic activity to another rapidly and at low cost, and to allow for wage fluctuations without much social disruption. Efficient labour markets must also ensure a clear relationship between worker incentives and their efforts to promote meritocracy at the workplace, and they must provide equity in the business environment between women and men. Taken together, these factors have a positive effect on workers' performance and the attractiveness of the country for talents and skills.

Eighth pillar: Financial market development

An efficient financial sector allocates the resources saved by a nation's citizens, as well as those entering the economy from abroad to their most productive uses. It channels resources to those entrepreneurial or investment projects with the highest expected rates of return rather than to the politically connected. A thorough and proper assessment of risk is, therefore, a key ingredient of a sound financial market. Business investment is also critical to productivity. Therefore, economies require sophisticated financial markets that can make capital available for private-sector investment, from such sources as loans from a sound banking sector, well-regulated securities exchanges, venture capital, and other financial products. In order to fulfil all those functions, the banking sector needs to be trustworthy and transparent and should have appropriate regulation to protect investors and other actors in the economy at large.

Ninth pillar: Technological readiness

In today's globalised world, technology is increasingly essential for firms to compete and

prosper. The technological readiness pillar, measures the agility with which an economy adopts and utilises existing technologies to enhance the productivity of its industries, with specific emphasis on its capacity to fully leverage Information and Communication Technologies (ICT) in daily activities and production processes for increased efficiency and enabling innovation for competitiveness. ICT has evolved into the “general purpose technology” of our time, given the critical spill-overs to the other economic sectors and their role in enabling industrial infrastructure. Therefore, ICT access and usage are key enablers of countries’ overall technological readiness. Whether the technology used has or has not been developed within national borders is irrelevant for its ability to enhance productivity. The central point is that the firms operating in the country need to have access to advanced products and blueprints and the ability to absorb and use them. Among the main sources of foreign technology, FDI often plays a key role, especially for countries at a lower stage of technological development.

Tenth pillar: Market size

The size of the market affects productivity because large markets allow firms to exploit economies of scale. Traditionally, the markets available to firms have been constrained by national borders. In the era of globalisation, international markets to an extent, can substitute for domestic markets, especially for small countries. Vast empirical evidence shows that trade openness is positively associated with growth. Even if some recent researches cast doubts on the robustness of this relationship, there is a general sense that trade has a positive effect on growth, especially for countries with small domestic markets.

Eleventh pillar: Business sophistication

There is no doubt that sophisticated business practices are conducive to higher efficiency in the production of goods and services. Business sophistication consists of two elements that are intricately linked: the quality of a country’s overall business networks and the quality of an individual firm’s operations and strategies. These factors are particularly important for countries at an advanced stage of development when, to a large extent, the more basic sources of productivity improvements have been exhausted.

Twelfth pillar: Innovation

The final pillar of competitiveness focuses on technological innovation. Although substantial gains can be obtained by improving institutions, building infrastructure, reducing macroeconomic instability, or improving human capital, all these factors eventually seem to run into diminishing returns. The same is true for the efficiency of labour, financial, and goods markets. In the long run, standards of living can be largely enhanced by technological innovation. Technological breakthroughs have been on the basis of many of the productivity gains that our economies have historically experienced. These range from the industrial revolution in the 18th century, the invention of the steam engine and the

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generation of electricity to more recent digital revolution. The latter is transforming not only the way things are being done, but also opening a wider range of new possibilities in terms of products and services. Innovation is particularly important for economies as they approach the frontiers of knowledge and the possibility of generating more value by only integrating and adapting new technologies. Although less-advanced countries can still improve their productivity by adopting existing technologies or making incremental improvements in other areas. For those that have reached the innovation stage of development this is no longer sufficient for increasing productivity. Firms in these countries must design and develop cutting-edge products and processes to maintain a competitive edge and move towards higher value-added activities. This progression requires an environment that is conducive for innovative activities and supported by both the public and the private sectors.

In particular, it means sufficient investment in Research and Development (R&D), especially by the private sector; the presence of high-quality scientific research institutions that can generate the basic knowledge needed to build the new technologies; and extensive collaboration in research and technology. At this point, competitiveness is increasingly driven by higher education and training (Pillar 5), efficient goods markets (Pillar 6), well-functioning labour markets (Pillar 7), developed financial markets (Pillar 8), the ability to harness the benefits of existing technologies (Pillar 9), and a large domestic or foreign market (Pillar 10). All of these show the inter-relation of the 12 pillars.

An unworthy class

A review of the Global Competitiveness Index (GCI) shows that the pillars will not apply to all the countries equally, given that they are at different levels of economic development. The GCI assumes that economies are grouped in three stages as follows:

Stage 1: This is the factor-driven stage where the countries compete based on their factor endowments—primarily low-skilled labour and natural resources². Companies compete on the basis of price, and sell basic products or commodities, with their low productivity reflecting in low wages and income. Maintaining competitiveness at this stage of development hinges primarily on well-functioning public and private institutions (Pillar 1), well-developed infrastructures (Pillar 2), a stable macroeconomic environment (Pillar 3), and a healthy workforce that has achieved at least

After over 50 years of Nigeria's Independence, the country has not developed economically and still remains factor-driven just as it was at the beginning, while its peers have surged ahead.

2 Michael Porter's theory of stages (see Porter 1990). Please see Chapter 1.1 of The Global Competitiveness Report 2007–2008)

basic education (Pillar 4). As a country becomes more competitive, productivity will increase and wages will rise with advancing development. Having progressed past this stage, countries will then move into the next stage.

Stage 2: Efficiency-driven stage of development, is when countries begin to develop more efficient production processes and increase product quality, because wages have risen and they cannot increase prices. At this point, competitiveness is increasingly driven by higher education and training (Pillar 5), efficient goods markets (Pillar 6), well-functioning labour markets (Pillar 7), developed financial markets (Pillar 8), the ability to harness the benefits of existing technologies (Pillar 9), and a large domestic or foreign market (Pillar 10). **Stage 3:** Finally, as countries move into the innovation-driven stage, wages would have risen by so much that those higher wages and the associated standard of living are sustainable only if their businesses are able to compete with new and/or unique products, services, models, and processes. At this stage, companies must compete by producing new and different goods through new technologies (Pillar 12) and/or the most sophisticated production processes or business models (Pillar 11).

The resources being released for a bloated and ineffective government should be made slim, nibble and focused. This should then be channelled into education, health, renewing infrastructure and the creation of a safety net for the poor.

Table 5.1 – Sub index weights and income thresholds for stages of development

Stages of Development					
	Stage 1: Factor-driven	Transition from stage 1 to stage 2	Stage 2: Efficiency-driven	Transition from stage 2 to stage 3	Stage 3: Innovation-driven
GDP per capita (US\$) thresholds	<2,000	2,000 – 2,999	3,000 – 8,999	9,000 - 17,000	>17,000
Weight for basic requirements subindex	60%	40 – 60%	40%	20 – 40%	20%
Weight for efficiency enhancers subindex	35%	35 – 50%	50%	50%	50%
Weight for innovation and sophistication factors	5%	5 – 10%	10%	10 – 30%	30%
Comparator countries	Ghana	Botswana	South Africa	Brazil	South Korea
	Nigeria		Indonesia	Malaysia	Singapore
	India				

Compiled by: Project Hope. Source: Global Competitive Index

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The GCI takes the stages of development into account by attributing higher relative weights to those pillars that are more relevant to an economy given its particular stage of development. Although all 12 pillars matter to a certain extent for all countries, the relative importance of each one depends on a country's particular stage of development.

Given the potentials of the country, the sky is the limit. The country can choose to leapfrog into a higher class like Singapore did, which is absolutely possible given the ingenuity of the Nigerian

To implement this concept, the pillars are organised into three sub-indexes, each critical to a particular stage of development. The basic requirements sub-index groups the pillars most critical for countries in the factor-driven stage. The efficiency enhancers' sub-index covers those pillars critical for countries in the efficiency-driven stage. The innovation and sophistication factors sub-index includes the pillars critical to countries in the innovation-driven stage. The three sub-indexes for the 10 comparator countries are shown in Table 5.1.

It can be seen that Nigeria, Ghana and India are in the factor-driven group, while Botswana is in transition into the efficiency-driven category. South Africa and Indonesia are in the efficiency-driven category, while Brazil and Malaysia are in transition towards the innovation-driven category. Singapore and South Korea are in the innovation-driven stage. This categorisation is useful in many ways. Firstly, it brings it home succinctly that after over 50 years of Nigeria's Independence, the country has not developed economically and still remains factor-driven just as it was at the beginning, while its peers have surged ahead. Singapore, which Lee Kuan Yew confirmed was in the same level with Nigeria at Independence, has surged ahead to a first world country driven essentially by technology and innovation. Secondly, it helps to ascertain Nigeria's comparative advantage, so that it can maximise its potentials at that level without breaking its backs to do the impossible with the factors of production and access to the arsenal of development available. Thirdly, it helps us set out a roadmap for a practicable transformation agenda such that energies will not be dissipated, backing the wrong horse as it were, and engaging in endless flattery that leads to nowhere and cause further retrogression. Finally, it helps to show clearly that given the potentials of the country, the sky is the limit. The country can choose to leapfrog into a higher class like Singapore did, which is absolutely possible given the ingenuity of the Nigerian, the ability of its people to work hard, given the right environment and incentives, the people's capability to rapidly adapt to technology and of course, the abundant natural resources that the country possesses.

The peculiarity of the Nigerian to pull through in very difficult circumstances has even been recognised by a study in the United States of America. Amy Chua with her husband, a Yale Law Professor, in their book, "The Triple Package: How Three Unlikely Traits Explain the Rise and Fall of Cultural Groups", examine why Jews, Indians, Persians,

Lebanese, Chinese, Cubans, Nigerians and Mormons, among other groups in America, tend to achieve greater success than others³. The first two traits are superiority complex - a collective feeling of exceptionality over other cultural groups and insecurity - the feeling of needing to prove oneself to others. While these two elements may seem contradictory, Chua argues that cultural groups require the unique balance of these two characteristics to succeed. "It's weird to think of somebody simultaneously feeling insecure and superior," Chua said. "And yet, it's that unlikely, almost unstable combination that generates the drive for excellence. It is a kind of hunger for respect, the need to prove yourself and show everyone what you are, almost like a chip-on-your-shoulder mentality. The third element of the triple package is impulse control -- the ability to delay gratification in order to work towards achieving greater success". In practice, this amounts to a stricter style of parenting, something Chua is widely known for, due to her heavily debated book, "Battle Hymn of the Tiger Mother".

The Nigerian people have the zeal, the dexterity and the intellect to rise up to the challenge. What is required is a selfless leadership with a clear vision of the future, who will establish a clear roadmap to leapfrog the country from the Third World status that we have been confined to for decades, to a First World class in less than two decades. For this to happen, there is a need to restructure the government to be less expensive and more cost effective, more accountable and more sensitive to the inequality in the land. The resources being released for a bloated and ineffective government should be made slim, nibble and focused. This should then be channelled into education, health, renewing infrastructure and the creation of a safety net for the poor. There must be a zero tolerance for corruption particularly as it is a cancer that blights collective progress. It must be realised that so long as our poverty rate is above the world average, our poverty is collective.

A depressing reading

In this global village that the world has become, competitiveness is not only a measure of economic strength but it also determines the wealth and standard of living that a people in a country can command. The capita per head as a measure of a nation's GDP is determined by what that nation can produce that is of demand both nationally and internationally. No country can ignore globalisation and its potency in terms of economic growth and development of a nation for many reasons. Investment is now driven by international capital industries in the form of transnational companies in search of new sites of resources and markets throughout the world, information technology which allows for transnational organisation and co-ordination of production, and Individual consumers, who are in pursuit of the best and cheapest products throughout the world. Essentially, globalisation embodies the process by which enterprises (related or unrelated) become

3 <http://www.thedp.com/article/2014/04/amy-chua-tiger-mom>

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inter-dependent and inter-linked globally through strategic alliances and international networks. This happens when foreign companies engage domestic ones in competition for local resource and markets, it may also take the form of Foreign Direct Investment (FDI) undertaken in strategic alliances with domestic firms⁴.

With the above in mind, the Global Competitive Index for 2012 and 2013 of the comparator countries was reviewed.

Table 5.2 – GCI 2013 Rankings and 2011-2013 Comparisons

GCI 2011 - 2013				
	2013-2014 (out of 148)	(1-7)	2012-2013 (out of 144)	
Country	Rank	Score	Rank	Score
Singapore	1	5.61	2	2
Malaysia	24	5.03	25	21
South Korea	25	5.01	19	24
Indonesia	38	4.53	50	46
South Africa	53	4.37	52	50
Brazil	56	4.33	48	53
India	60	4.28	59	56
Botswana	74	4.13	79	80
Ghana	114	3.69	103	114
Nigeria	120	3.57	115	127

Source: World Economic Forum 2013

Table 5.2 shows that Nigeria is ranked 120 amongst 148 in 2013 with a score of 3.57, falling from 117 and 115 position in 2012 and 2011 respectively. This rating reiterates that Nigeria is again in the last position amongst the 10 comparators with Ghana, surpassing it at 114th position in 2013. This is in wide contrast to Singapore, which is ranked as No 1 and Malaysia 24th in 2013 in global competitiveness.

Table 5.3 – Global Competitiveness Index 2013

	OVERALL INDEX		SUBINDEXES					
			Basic requirements		Efficiency enhancers		Innovation and sophisticated factors	
Country	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Singapore	2	5.61	1	6.3	2	5.63	13	5.14
Malaysia	24	5.03	27	5.37	25	4.86	23	4.7
South Korea	25	5.01	20	5.6	23	4.89	20	4.82
Indonesia	38	4.53	45	4.9	52	4.32	33	4.13
South Africa	53	4.37	95	4.24	34	4.54	37	4.06
Brazil	56	4.33	79	4.45	44	4.39	46	3.92
India	60	4.28	96	4.23	42	4.41	41	4
Botswana	74	4.13	66	4.6	93	3.77	106	3.3
Ghana	114	3.69	128	3.62	87	3.85	72	3.56
Nigeria	120	3.57	136	3.4	83	3.9	82	3.44

NOTE: Ranks out of 148 economies and scores measured on a 1-to-7 scale
Source: World Economic Forum 2013

Table 5.3 shows that Nigeria sank into 136 position in terms of the Basic Requirements whilst holding 83 and 82 in terms of Efficiency Enhancers and Innovation and Sophistication. As has been explained, the Basic Requirements (Pillar 1. Institution, Pillar 2. Infrastructure, Pillar 3. Macroeconomic environment and Pillar 4. Health and primary education) are most essential for a factor-driven economy like Nigeria and unfortunately, this is where Nigeria fails woefully.

While these rankings clearly portray a weak performance, they should also be seen as opportunities for the necessary work required to transform the Nigerian economy to make it more globally competitive, enhance its productivity, prosperity and create wealth for the benefit of all. In spite of these low rankings, the confidence in the Nigerian economy by both national and international investors has been positive and high. These investors, no doubt look at the potentials that the economy possesses. The main factor that usually underline their analysis and thoughts is, what would be the economic situation in Nigeria when some of the challenges are addressed? The strength of the Nigerian economy has been made evident in the GDP rebasing which puts it as the largest economy in Africa and the 26th in the world.

As the largest economy in Africa and the 26th in the world. Achieving the vision 2020 targets, ensuring that GDP per capita is considerably increased and inequality is reduced, will ensure that the country begins to take its rightful place in the world.

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Achieving the vision 2020 targets, ensuring that GDP per capita is considerably increased and inequality is reduced, will ensure that the country begins to take its rightful place in the world. The domestic market is large but Nigeria cannot depend solely on it to sustain rapid growth over the long term and will need to access regional and global markets as well. In the short and medium term, domestic and regional trade can be important drivers of growth and can help to build international competitiveness.

The first set of pillars and the most important to the Nigerian situation are the Basic Requirements pillars that cover Institutions, Infrastructure, Macroeconomic environment, and Health and Primary Education. These are set out on Table 5.4. Nigeria scored very poorly in Institutions (3.09 with a ranking of 129), Infrastructure (2.29 and a ranking of 135) and Health and Primary Education (3.04 and a ranking of 146) amongst 148 countries. Nigeria is also in the last position among the 10 comparator countries being reviewed. In the area of Macroeconomic environment, Nigeria scored 5.17, ranking 46 out of 148 countries. This shows a high vote of confidence in the work, being done by the Honourable Minister of Finance and Head of the Economic Team, Mrs Okonjo-Iweala. Her efforts are extremely commendable. The high ranking here in the midst of gloomy scores in the other three areas denotes that there is room for improvement. However, the ranking in Health and Primary Education (146 out of 148) is pathetic and is a clarion call for immediate action. The related variables were discussed in details in Chapter 2. Consequently, more attention will be given to Institutions and Infrastructure.

The challenge with the basics

One of the greatest challenges of nation-building is the challenge of institution-building. Whether nations are able to manage their political, economic and social disputes peacefully, without lapsing into conflict, or sustain economic growth without creating huge inequalities, critically depend on the quality of the relevant national institutions. There

One of the greatest challenges of nation-building is the challenge of institution-building.

are three important components to institution building: setting the rules, hiring persons with the technical expertise and moral competence to interpret the rules or implement the goals of the organisations, and ensuring that the institutions inspire public confidence by being transparent, fair and consistent.

Table 5.4 - GCI 2013: Basic Requirements

Country	Basic Requirements		Institutions		Infrastructure		Macroeconomic environment		Health and Primary	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Botswana	66	4.6	34	4.67	94	3.43	24	5.76	115	4.55
Brazil	79	4.45	80	3.73	71	4.02	75	4.63	89	5.43
Ghana	128	3.62	70	3.89	109	3.02	144	3.08	122	4.42
India	96	4.23	72	3.86	85	3.65	110	4.1	102	5.3
Indonesia	45	4.9	67	3.97	61	4.17	26	5.75	72	5.71
South Korea	20	5.6	74	3.84	11	5.85	9	6.32	18	6.37
Malaysia	27	5.37	29	4.85	29	5.19	38	5.35	33	6.1
Nigeria	136	3.40	129	3.08	135	2.29	46	5.17	146	3.04
Singapore	1	6.3	3	6.04	2	6.41	18	6.01	2	6.72
South Africa	95	4.24	41	4.53	66	4.13	95	4.39	135	3.29

Note: Values are on a 1-to-7 scale
Source: World Economic Forum, 2013

These are also the standards by which the performance of any organisation, in particular, public sector organisations should be measured. This shows that the act of creating the organisation itself is not as important as its proper functioning and overall effectiveness⁵. In this regard, Nigeria needs to create and strengthen institutions that would help achieve the national goals of democratic governance and sustainable development.

Table 5.5 - Global Competitiveness Index in Detail 2013 (Institutions)

1ST PILLAR: BUSINESS SOPHISTICATION										
INDICATORS	Countries									
	Botswana	Brazil	Ghana	India	Indonesia	Malaysia	Nigeria	Singapore	South Africa	South Korea
	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Property rights	4.9	4.6	4.2	4.4	4.1	5.2	3.4	6.3	5.6	5
Intellectual property protection	4.1	3.5	3.9	3.7	3.9	4.8	2.8	6.1	5.5	4
Diversion of public funds	4.5	2.3	3.1	2.8	3.4	4.2	1.9	6.1	2.8	3
Public trust in politicians	3.9	1.9	2.9	2.2	3.2	4.3	2.1	6.2	2.4	2
Irregular payments and bribe	5	3.9	3.3	3.2	3.3	4.7	2.6	6.5	4.6	4
Judicial independence	5.3	3.9	4.4	4.7	3.7	4.5	3.2	5.7	5.5	3.5

⁵ Presentation by Prof. Ibrahim A. Gambari Under-Secretary-General and Special Adviser to the United Nations Secretary-General on the Challenges of Nations Building: The Case of Nigeria. First Year Anniversary Lecture Mustapha Akanbi Foundation -7 February 2008.

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1ST PILLAR: BUSINESS SOPHISTICATION										
	Countries									
Favouritism in decision of government officials	3.8	2.9	2.9	2.8	3.7	4	2.2	5.4	2.5	3
Wastefulness of government spending	4.3	2.2	3.4	3	3.8	4.3	2.4	5.9	3.1	3
Burden of government regulation	3.8	2	3.5	3.1	3.9	4.6	3.5	5.4	2.9	3
Efficiency of legal framework in settling disputes	4.8	3.3	4.1	3.8	4.1	5.1	3.6	6.1	5.3	4
Transparency of government policy-making	4.5	3.7	4.1	4.2	4.2	5	3.7	6.1	4.6	3
Business costs of terrorism	6.3	6.3	4.6	4.7	4.6	5.3	2.9	5.8	6.2	5
Business costs of crime and violence	4.7	3.4	4.2	4.7	4.4	4.6	2.9	6.2	2.7	5
Organised crime	6.1	4	4.6	4.8	4.1	5.2	3.4	6.7	4.2	5
Reliability of police services	4.4	4.3	4.5	4	4	4.9	2.9	6.3	3.8	5
Ethical behaviour of firms	4.6	3.7	3.7	3.7	4	5	3.2	6.3	4.7	4
Strength of auditing & reporting standards	5	5.3	4.5	4.9	4.6	5.4	4	6.2	6.7	4
Efficacy of corporate boards	4.8	4.8	4.4	4.6	4.8	5.3	4.1	5.7	6	4
Protection of minority shareholders' interests	4.5	4.9	4.4	4.4	4.5	5.1	3.8	5.4	6.2	4
Strength of investor protection, 0-10 (best)	6	5.3	6	6	6	8.7	5.7	9.3	8	6
<i>Note: Values are on a 1-to-7 scale</i>										
<i>Source: World Economic Forum, 2013</i>										
<p>Institutions: The institutional environment is determined by the legal and administrative framework within which individuals, firms and governments interact to generate wealth. The role of the institutions goes beyond the legal framework. Government attitudes toward markets and freedoms and the efficiency of its operations are also very important: excessive bureaucracy and red tape, over-regulation, corruption, dishonesty in dealing with public contracts, lack of transparency and trustworthiness, inability to provide appropriate services for the business sector and political dependence of the judicial system impose significant economic costs of businesses and slow the process of economic development.</p>										

Nigeria has for so long unwittingly invested in strong men instead of building strong institutions. Whether it is the preference of the political godfather that has taken the place of the grass-root democratic choice of the people or the use of brute force and killings to settle even petty disputes or swindling the government with impunity in all forms of corrupt activities, they all underscore either the institutional deficit or the weakness of those that exist. There is the urgent need to address the culture of rent-seeking created by access to 'easy' oil rent and reduce incentives to create wealth that can be taxed. The dependence on oil rents as opposed

Nigeria has for so long unwittingly invested in strong men instead of building strong institutions.

to taxation reduces government accountability and, therefore, undermines the effectiveness of political and economic institutions.

Table 5.5 sets out scores of Nigeria and its comparator countries and it can be seen that Nigeria scored the lowest in most of the categories. As a matter of fact, Nigeria scored below three (out of a maximum score of seven) in nine out of the 20 classes. These areas mostly cover poor property protection, bribery and corruption, cronyism and waste in government and the cost inflicted on the country by terrorism, fraud and the ineffectiveness of the police. Action that is urgently required include strengthening of the following institutions that are briefly discussed below.

There is the urgent need to address the culture of rent seeking created by access to 'easy' oil rent and reduce incentives to create wealth that can be taxed.

Institutions for fostering public integrity: The courts or the Independent Corrupt Practices Commission (ICPC) are the institutions that are set up to fight corruption, apply and enforce rules that aim to create a system of values which reject the abuse of public position for private gain. They operate along with three other institutions that are dedicated to fostering integrity in the public sector: the Code of Conduct Bureau (CCB), the Independent Corrupt Practices Commission (ICPC) and Economic and Financial Crimes Commission (EFCC). The ICPC's mandate include reviewing public sector systems and procedures with a view to eliminating pitfalls for corruption, public enlightenment and mobilisation against corruption and enforcing the law in these areas. Likewise, EFCC has the mandate to combat Advanced Fee Fraud (popularly known as 419), money laundering, terrorist financing and all forms of fraud in the financial sector. There is a growing sense among the public that there is an overlap in the functions of the ICPC and EFCC.

However, those knowledgeable with the statues creating the ICPC and EFCC argue that the main area of commonality is in the definition of economic crime as including corruption. What matters is that the two bodies should rise up to the challenge which many feel that they are presently ignoring. This together with the use of undue injunctions and adjournments in regular courts have made a mockery of the rule of law and replaced it with the 'survival of the fittest' phenomenon. It should not be forgotten that it was the midnight injunction order of Justice Ikpeme that truncated the entire democratisation programme which closed out the freest election that was ever held in Nigeria on June 12, 1993, resulting in the consequent setback of the entire nation by decades of strife and backwardness. The anti-corruption bodies have met the criteria of inspiring public confidence in their work. However, court injunctions continue to be used till today to protect the corrupt and prevent the rule of law from taking its course. Public confidence will be raised much higher if the activities of the bodies are managed in a way that can easily be comprehended.

Institutions for public service delivery: The civil service is the main instrument and institution of public service delivery. Traditionally, the civil service performs three functions: supporting the policy-making function of government at the federal, state and

local government levels; facilitating or regulating the private sector; and providing managerial leadership for operating public sector enterprises. The capacity of the Nigerian civil service to perform its statutory functions is critically dependent on its ability to attract and retain competent and highly skilled persons in the professional category; the willingness to offer attractive pay and benefits package; and the modernisation of the office infrastructure. The reforms of the federal civil service has rightly focused on improving the pay package, increasing the number of staff in the professional category and improving service to the public through the Service Compact with Nigerians (SERVICOM). Nonetheless, much remains

Nonetheless, much remains to be done both in improving the office infrastructure in the civil service and in refining public servants' attitude to the standards of many emerging economies. Moreover, it is doubtful if the new pay scale has done much to improve overall conditions of the civil servants.

to be done both in improving the office infrastructure in the civil service and in refining public servants' attitude to the standards of many emerging economies. Moreover, it is doubtful if the new pay scale has done much to improve overall conditions of the civil servants. While high pay may not offer a guarantee against fraud and corruption, it is a major incentive to stimulate hard work and more commitment to public service.

The judicial institutions: The Judiciary is an important institution in any democracy just as is essential to the functioning of a market economy. The judiciary not only arbitrates disputes between the various levels of government, between government and

citizens, and among citizens, but also among private sector agents. Given its pivotal role in national stability and economic prosperity, some of the major features of good institutions noted earlier are particularly relevant. These are that institutions should have persons with the technical expertise and moral competence to interpret the rules or implement the goals of the organisations; and ensure that public confidence is inspired. In recent times, the Supreme Court, the

Election related disputes should be addressed in the courts - either electoral courts or ultimately constitutional courts - and not through violence.

apex court in the country, has inspired much public confidence and earn respect because of the quality of its judgment, especially in some sensitive political cases. In some ways, the gradual maturity of the democratic process in Nigeria, where politicians, their supporters and loyalists now prefer legal recourse to rampage is directly linked to growing public confidence in the courts. Election related disputes should be addressed in the

courts – either electoral courts or ultimately constitutional courts – and not through violence. Nigerians have needlessly shed much blood in the recent past. Nigerians will realise the senselessness in shedding blood in election disputes and do away with it, once the judiciary is seen to be free and fair in its adjudications. Nonetheless, the responsibility for interpreting free and fair elections and accepting results should not be left to the judiciary alone. Democracy cannot be built solely on court orders or judgments of electoral tribunals as have been explained earlier, political corruption and election rigging is the foundation to the pervasive rent-seeking attitude in Nigeria today.

Institutions for economic governance: The functioning and effectiveness of a market-based economy such as Nigeria's relies on several institutions. It requires an institution to regulate the supply and flow of money and the financial system (Central Bank); to allocate capital to firms and individuals (Banks and Stock Exchange); to insure against commercial risks (Insurance firms); to insure individual bank depositors against loss (Deposit insurance); to enforce contractual obligations (Courts); and to collect revenue for the government (Fiscal authorities). The performance of the national institutions of economic governance is a mixed one. However, as has been seen in the high macroeconomic score, the reform of the financial sector has strengthened public confidence in the government's macroeconomic policy and banks especially, and opened opportunities for banks to extend their reach to other parts of the region. Spreading the benefits of growth and development to all – in other words to achieve equitable growth - is a major public policy challenge. In Nigeria, little effort has been made in that regard. The key instruments for sharing include employment, insurance, access to affordable housing, health care and education.

The leadership challenge: According to the foremost Nigerian author, the late Professor Chinua Achebe, the trouble with Nigeria is the failure of leadership. Leadership is a critical factor in nation-building and it should be understood in two important but related ways. Firstly, there are the personal qualities of integrity, honesty, commitment, and competence of individual leaders at the top. Secondly, there are the collective qualities of common vision, focus, and desire for development of the elites as a whole. The conduct of elections and the performance of Nigerian leaders over the years have left much to be desired. According to Professor Gambari: "We do not need leaders who see themselves as champions of only some sections of the nation. We do not need leaders who do not understand the economic and political problems of the country, not to talk of finding durable solutions to them. We do not

According to Professor Gambari: "We do not need leaders who see themselves as champions of only some sections of the nation. We do not need leaders who do not understand the economic and political problems of the country, not to talk of finding durable solutions to them."

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need leaders who are more interested in silencing their opponents, than pursuing justice. We do not need leaders, who preach one thing, and do the exact opposite. These leaders place themselves above the constitution and the laws of the country. Good leaders lead

We need a leadership that will not only leave its foot-prints on the sands of time, but one, which by dint of hard-work, fair play, dedication and commitment, will live forever in the hearts of Nigerians.

by upholding and respecting the law. We do not need leaders who have no sense of tomorrow, other than that of their private bank accounts⁶. If we are to succeed in nation-building, we must have a leadership that is committed to the rule of law and has a demonstrable sense of fairness and democratic tolerance; a leadership with ability and integrity. Above all, we must have a leadership that can see beyond the ostentatious pomp of office. We must have leaders who have a vision for a Nigeria better than the one they inherited; leaders who will lead by examples and not by words; achievers, not deceivers.

We need a leadership that will not only leave its foot-prints on the sands of time, but one, which by dint of hard-work, fair play, dedication and commitment, will live forever in the hearts of Nigerians. Beyond the qualities of individual leaders, however, there is the equally important question of the quality of the collective leadership offered by the Nigerian elite class as a whole. After all, a tree cannot make a forest, and an individual leader cannot do everything alone. The collective elite leadership qualities include collective vision, focus, and discipline of the elites as a whole. The elites should be less self-serving and be collectively committed to nation-building. Most importantly, Nigerian leadership and elites should be able to convince a large section of the Nigerian public not only by words but also by action about a vision for a greater tomorrow. Then, Nigeria will truly be on the way to national transformation”⁶.

Economic infrastructure is necessary to provide key intermediate services to business and industry and its principal function is to enhance productivity and innovative initiatives. ‘Hard Economic’ facilities include roads, highways, bridges, ports, railways, airports, public transport, telecommunications, electricity and gas generation, transmission and distribution. ‘Soft Economic’ infrastructure encompasses vocational training, financial facilities for business (payments, credit, equity, derivatives, venture capital, etc.), the facilitation of research and development and technology transfer, and organisations, encouraging export orientation and productive co-operation among individuals and entities. Soft economic infrastructure are mainly privately owned and operated, some provided by individual institutions (e.g. credit rating organisations) and others by groupings of private

6 Presentation by Prof. Ibrahim A. Gambari Under-Secretary-General and Special Adviser to the United Nations Secretary-General, (2008). *The Challenges of Nations Building: The Case of Nigeria*

entities, forming co-operative networks (e.g. payments system). Social infrastructure on the other hand, is seen as providing basic services to households. Its main role is to improve the quality of life and welfare in the community, especially among those of limited means. 'Hard social' facilities embrace hospitals, education and training buildings, water storage and treatment facilities, housing, sewage and drainage pipes, child care and aged care institutions and prisons. Again, some of these are provided by private sector bodies (e.g. private hospitals and private schools). 'Soft social' infrastructure takes the form of the social security system, a range of community services, and environmental protection agencies. Many of these services are viewed by the community as 'essential' and tend to have the characteristics of 'merit goods' in that they are regarded as socially desirable.

Table 5.6 - Global Competitiveness Index in Detail 2013 (Infrastructure)

2ND PILLAR: INFRASTRUCTURE										
COUNTRIES										
	Botswana	Brazil	Ghana	India	Indonesia	Malaysia	Nigeria	Singapore	South Africa	South Korea
Indicators	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Quality of overall infrastructure	4.2	3.4	3.8	3.9	4	5.5	3	6.4	4.5	5.6
Quality of roads	4.3	2.8	4.1	3.6	3.7	5.4	2.7	6.2	4.9	5.8
Quality of railroads infrastructure	2.9	1.8	2.1	4.8	3.5	4.8	1.8	5.6	3.4	5.7
Quality of port infrastructure	3.6	2.7	4.2	4.2	3.9	5.4	3.4	6.8	4.7	5.5
Quality of air transport infrastructure	4	3.3	4.3	4.8	4.5	5.8	3.6	6.8	6.1	5.8
Quality of electricity supply	3.1	4.8	2.7	3.2	4.3	5.8	1.8	6.7	3.8	5.7

Note: Values are on a 1-to-7 scale

Source: World Economic Forum, 2013

Infrastructure: Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy, as it is an important factor in determining the location of economic activity and the kinds of activities or sectors that can develop within a country. A well-developed transport and communications infrastructure network is a prerequisite for the access of less-developed communities to core economic activities and services. Effective modes of transport - including quality roads, railroads, ports and air transport - enable entrepreneurs to get their goods and services to market in a secure and timely manner and facilitate the movement of workers to the most suitable jobs.

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Table 5.6 shows that Nigeria scored below three (out of seven) in quality of roads, quality of railroads infrastructure and quality of electricity supply. The score of 1.8 for railroad and electricity, underscores the infrastructural deficit that Nigeria has. There is a critical need to spend on these very important infrastructures --security, power, transport (road, rail and water) --and also in the Niger Delta. The government alone cannot meet the

The government alone cannot meet the significant amount of investment required, due to: funding problems and limited capacity to design, cost, implement and manage an investment of such magnitude.

significant amount of investment required, due to: funding problems and limited capacity to design, cost, implement and manage an investment of such magnitude. In this regard, the private sector's involvement in the form of Public Private Partnership (PPP) is essential to meeting the targets on infrastructure investment. Efforts are being geared towards infrastructure investment. The appropriate legal regulatory and administrative frameworks for this have been put in place within the framework of Infrastructure Concession and Regulatory Commission (ICRC) to ensure the successful implementation of PPPs.

Table 5.7: Comparative Analysis of the Structure of Infrastructures for Selected Countries (by Region) in 2005

Country	Electric power		Access to electricity % of population	Telephone mainlines per 1000 people	Mobile phones per 1000 people
	Con. per capita (kwh)	Power losses % of output			
Cote d'Ivoire	n/a	n/a	50	18	45
Germany	5 963	4	n/a	634	682
Ghana	288	1	45	12	9
Indonesia	384	11	53.4	35	31
Kenya	106	22	7.9	10	19
Korea Rep.	5 607	5	n/a	486	621
Malaysia	2 628	8	96.9	196	314
Mexico	1 655	14	n/a	137	48
Nigeria	81	32	40	5	4
Singapore	6 948	4	100	471	724
South Africa	3 745	8	66.1	112	252
UK	5 601	8	n/a	588	770
USA	12 331	6	n/a	667	451

Source: World Bank, Human Development Report, 2007

In the power sector, epileptic power supply, with its attendant effects on industrial production, having a miserly 20.13 billion Kilowatt/hour (kw/hr) of electricity, Nigeria ranks

lower than Brazil (509.2 kw/hr), South Africa (238.3 kw/hr), Egypt (123.9 kw/hr), Malaysia (118.2 kw/hr) and Argentina (115.4 kw/hr). Nigeria has a pool of hydro, thermal, solar and wind electricity sources to tap from to boost her power supply but has not managed to do this effectively over the years⁷. Structural and institutional reforms of the power sector, including the unbundling of the Power Holding Company of Nigeria (PHCN) have been carried out to achieve efficient service delivery and cost recovery. Ensuring increased private sector participation remain very important. The strategies for achieving 10,000MW by 2015 are driven with intensive reform programme which has been underway since 2005. This has involved the creation of the regulator, the bulk trader, the gas aggregator and the licencing of new Independent Power Projects and then the privatisation. It took us about 18 - 24 months to get the privatisation underway and the phase one has been carried out with power plants handed over to the private sector. The Niger Delta Power Holding Company Limited (NDPHC) was thereafter incorporated as a limited liability company to serve as the legal vehicle to hold the National Integrated Power Project (NIPP) assets. The mandate of the NDPHC include construction and expansion of the country's power infrastructure to boost electricity generation and supply across the country. The phase two is in the process of being completed; preferred bidders, having been named, it was anticipated that the handover would occur in the end of the year 2014.

Secondly, on the privatisation, there were basically six generation plants and 11 distribution companies in phase one and then an additional 10 generation companies in the phase two. Phase one involved 16 generation companies which have new owners and need to carry out the required investment repair works to unlock the generating capacity on those sites. Privatisation is the second bucket and the third bucket is the off-grid distributed power needs of people in the rural areas, captive industries like the consumer industry, cement companies, food and beverage companies, and large residential estates; as well as electricity distribution companies that can actually create embedded generation.

Nigeria has a pool of hydro, thermal, solar and wind electricity sources to tap from to boost her power supply but has not managed to do this effectively over the years.

To achieve the 10,000MW, the projects have been segmented in such a way that they can actually be addressed. General Electric (GE) has made a \$1 billion commitment to invest in resources to supply the expertise to help owners of these IPPs develop projects. So far, about eight projects are in various stages on the drawing board and these eight projects will provide additional 6,000MW of power at the point of completion. According to the

⁷ <http://www.vanguardngr.com/2013/04/epileptic-power-supply-will-nipp-break-the-ice/#sthash.CbAVyFXO.dpuf>

NIGERIA: Hope Rekindled

President and Chief Executive Officer, GE Nigeria, an original equipment manufacturer, "what GE has done is to catalyse the development of that sector by saying we are not just going to bring the expertise; we are bringing the development capital and the long-term equity. And because we have the connection with all of the funding agencies in the world, we are also going to finance a long term debt".⁸

In many countries, rail transport has and continues to play a catalytic role in bringing about socio-economic development. It contributes substantially to the movement of passengers and freight. Indeed, railways can provide the most cost-effective, affordable, energy-saving and environmentally-friendly form of transport, when traffic densities are high. If properly integrated with other modes of transport, economic levels of traffic can be consolidated to enable the railway to provide efficient services for high density flows of homogenous traffic carried over relatively long distances, including high volumes of containerised cargo or bulk freight such as oil, coal, steel or agricultural produce. Railway transport could be energy flexible and efficient, when electric traction is used. The flow of goods to the hinterland is also facilitated by the railway. Given current limited rail expansion activities, only a few state capitals are connected by the railways. The rail system collapsed in the 1990s but is now under rehabilitation. The programme to revive and modernise the railway system, evolved around a 25-year Strategic Vision towards rehabilitation of the entire existing narrow gauge lines and the development of standard gauge lines across the country. The Western line - Lagos to Kano of 1,124 kilometres - with passenger services and haulage of goods along the line was flagged off in December, 2012. The Eastern line -- Port Harcourt to Maiduguri of 1,657 km-- is expected to be completed this year and various studies have also been commissioned to ensure success in this direction. It is hoped that the planned rehabilitation will turn the transport sector around if it is pursued with the desired vigour.

Macroeconomic policy factors play an important role in determining the level of savings and investment as well as the rate of growth and international competitiveness of a country. These factors include a low rate of inflation (preferably single digit), budgetary policies that rule out chronic budget deficits, a policy of monetary discipline that avoids excessive internal borrowing and effective rate of exchange which facilitates the entry of foreign capital, the consistent implementation of policies to reduce uncertainty and enhance institutional stability. Generally, these factors relate to macroeconomic fundamentals. These macroeconomic fundamentals have been stable in recent years thus supporting the over 7% annual GDP growth of the country and are reflected in the Nigerian ranking in Table 5.8.

Table 5.8 - Global Competitiveness Index in Detail 2013 (Macroeconomic Environment)

8 <http://www.punchng.com/business/sundayceo/we-take-the-biggest-risk-in-power-industry-ge-boss/>

3rd Pillar: Macroeconomic environment										
Countries										
	Botswana	Brazil	Ghana	India	Indonesia	Malaysia	Nigeria	Singapore	South Africa	South Korea
Indicators	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Government budget balance, % GDP	0.3	-2.8	-12	-8.3	-1.3	-4.3	0.9	5.6	-4.8	1.9
Gross national savings, % GDP	30.7	15.4	6.4	29.8	32.6	31.9	28.7	45.6	13.2	31.4
Inflation, annual % change	7.5	5.4	9.2	9.3	4.3	1.7	12.2	4.6	5.7	2.2
General government debt, % GDP	14.9	68.5	56.5	66.8	24	55.5	17.8	111.0	42.3	33.7
Country credit rating, 0-100 (best)	60.9	68	36	60.0	55.9	71.7	37.8	92.7	59.9	79.4

Source: World Economic Forum, 2013

Macroeconomic environment: The stability of the macroeconomic environment is important for business and, therefore, is important for the overall competitiveness of a country. The government cannot provide services efficiently if it has to make high-interest payment on its past debts. Running fiscal deficits limits the government's future ability to react to business cycles and to invest in competitiveness-enhancing measures. Firms cannot operate efficiently when inflation rates are out of hand. In sum, the economy cannot grow in a sustainable manner unless the macro environment is stable.

Further improvement in this ranking in the area of macroeconomic stability would depend on sustained, prudent fiscal policy that will continue to decouple government's expenditure from the volatile oil revenues. This is crucial for managing the macro economy in such a way that will build and maintain strong competitiveness of the non-oil sector, in the face of considerable external inflow from oil.

A country's capability to improve its growth of national output over time depends almost entirely on the size of its labour force. This in turn propels the country's productive capacity and how it can raise productivity. The Nigeria labour productivity growth in comparison to its peers has been unsatisfactory. Labour productivity recorded an average growth rate of 1.2% from 2000 - 2008. This average is below the rate of 1.9% recorded in the sub-Saharan African countries, 2% in low income countries as a whole, 1.7% in Ghana, and 2.2% in Cameroon [World Bank (2009)]. The ability to compete with other nations is very vital for the survival of a nation. This survival is dependent on the coun-

Human capacity does not only include study, skills and knowledge but also good health. Furthermore, lack of human resource development or on-the-job training is also contributory to low productivity.

try's ability to provide quality and affordable basic goods and services for the people. However, the people need to increase productivity in all sectors of the economy if this is to be realised. Productivity is defined as the relationship between the volume of goods and services of acceptable quality and price that are produced. The factors could be the volume and quality of products and services absorbed by the market and the total resources used to produce and distribute them. Simply put, productivity is the amount of output produced per unit of input. Because labour is the most important input, the most popular measure of productivity is labour productivity or output per hour of labour. Developed countries are very conscious of the relationship between their level of productivity and their ability to compete in the international market. Nigeria, like in many other developing nations, has suffered from low productivity which has contributed significantly to low income, low saving, low investment and unemployment. The level of quality human capital in Nigeria is low and it is reflective of low productive skills and degree of knowledge possessed by the worker. The low skill in itself is resultant from low education or an education that breeds illiterates. Like Gabriel Umoh noted in the *Vanguard* of 24th March, 2014, it is not that there are no jobs in the country; it is the lack of the required skills that has prevented many Nigerians from accessing jobs.⁹ Additionally, it is important to know that human capacity does not only include study, skills and knowledge but also good health. Furthermore, lack of human resource development or on-the-job training is also contributory to low productivity.

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Prolonged economic recession occasioned by the collapse of the world oil market from the early 1980s and the attendant sharp fall in foreign exchange earnings adversely affected economic growth and development in Nigeria. Other problems of the economy included excessive dependence on imports for both consumption and capital goods, dysfunctional social and economic infrastructure, unprecedented fall in capacity utilisation rate in industry and neglect of the agricultural sector, among others. These resulted in falling incomes and devalued standards of living amongst Nigerians. Although, the Structural Adjustment Programme (SAP) was introduced in 1986 to address these problems, no notable improvement has taken place. From a middle income nation in the 1970s and early 1980s, Nigeria is today classified as a poor nation. Putting the country back on the path of recovery and growth will require urgent rehabilitation of not only the deteriorated infrastructure but also the production of more goods and services for the citizenry at

9 <http://www.vanguardngr.com/2014/03/will-drum-beats-revolution-start-nigeria/#sthash.B0rucE8w.dpuf>

affordable prices. This would imply a quantum leap in output of goods and services. The path to economic recovery and growth will require increasing production inputs – land, labour, capital and technology – and their productivity. Increasing productivity should be the focus because many other countries that have found themselves in the same predicaments have introduced productivity enhancement schemes to achieve this. For instance, Japan from the end of World War II and the United States of America from the 1970s have put the generation of high productivity as the centre point of their economic planning and the results have been resounding. Also, middle income comparator countries like South Korea, Singapore, India and Brazil have embraced boosting productivity schemes as an integral part of their national planning, and today they have made significant inroads into the global industrial market.

Productivity factors also relate to the level of manpower and capital i.e. land, plant, equipment and facilities, which form the required mix to generate a positive output. It underlines the relationship between labour productivity and capital productivity. The analysis of capital/labour ratio productivity provides very important information for managerial decision-making as it strives to improve the quality and possible combinations of resources and the ways in which they are used. External productivity factors are environmental forces, which are not under the control of an entity, whilst internal productivity factors are those which could and should be influenced by the management at the right time and place. The quality of Capital, Plant, and Equipment include the volume and structure of capital and the related level of innovation and appropriate technology for the chosen production/technology process. It is the task of company management to look into the capital goods in the market and make the appropriate analysis and justification to minimise cost and to maximise future Returns on Investment (ROI), which is an actual capital productivity.

Productivity factors also relate to the level of manpower and capital i.e. land, plant, equipment and facilities, which form the required mix to generate a positive output.

Table 5.9 – GCI 2013: Efficiency Enhancers

Country	PILLARS													
	Efficiency enhancers		5		6		7		8		9		10	
	Rank	Score	Higher education & training		Goods market efficiency		Labour market efficiency		Financial market development		Technological readiness		Market size	
Botswana	93	3.77	99	3.56	92	4.1	47	4.51	53	4.34	104	3.11	101	3.03
Brazil	44	4.39	72	4.22	123	3.82	92	4.13	50	4.4	55	4.14	9	5.65
Ghana	87	3.85	108	3.42	70	4.28	91	4.14	52	4.36	99	3.21	70	3.67
India	42	4.41	91	3.88	85	4.18	99	4.08	19	4.83	98	3.22	3	6.25
Indonesia	52	4.32	64	4.3	50	4.4	103	4.04	60	4.18	75	3.66	15	5.32
South Korea	23	4.89	19	5.41	33	4.68	78	4.21	81	3.89	22	5.57	12	5.61
Malaysia	25	4.86	46	4.68	10	5.23	25	4.79	6	5.45	51	4.17	26	4.87
Nigeria	83	3.9	120	3.03	93	4.09	52	4.48	66	4.04	108	3.08	32	4.66
Singapore	2	5.63	2	5.91	1	5.59	1	5.77	2	5.82	7	6.01	34	4.66
South Africa	34	4.54	89	3.94	28	4.75	116	3.93	3	5.8	62	3.92	25	4.89

Note: Ranks out of 148 economies and scores measured on a 1-to-7 scale.
Source: World Economic Forum, 2013

Enterprises produce goods and services for sale with the aim of making returns on their investments. The goods and services are the output of the enterprises. In the process of production, an enterprise makes use of scarce resources which are called factors of production - land, labour and capital as discussed above. These factors of production are generally referred to as inputs in the production process and their owners are rewarded from the returns generated by the enterprise. The problem of productivity is how to combine the inputs to have a maximum result - which is greatest output with a given input.

Enhanced productivity in the Nigerian manufacturing sector for example has been constrained by many factors, including the following:

- Low level of technology:** This is perhaps the greatest obstacle to productivity in Nigeria, as developments in technology and innovations are the primary forces, propelling industrialisation today. New processes and procedures of doing old things, and automation, have revolutionised the

New processes and procedures of doing old things, and automation, have revolutionised the manufacturing industry and multiplied productivity in the industrialised nations.

manufacturing industry and multiplied productivity in the industrialised nations. Unfortunately, industries in Nigeria cannot acquire modern machines that improve processes. Most of the industries, especially textiles, cement, bakery, leather, paper manufacturing and many others are all producing with machinery that were procured in the 1960s and 1970s, giving rise to frequent breakdown and reduction in capacity utilisation rates. Low technology is responsible for the inability of local industries to produce capital goods such as raw materials, spare parts and machineries, the bulk of which are imported. Hence, very low addition of value and productivity.

- b. **Low level of capacity utilisation rate:** Capacity utilisation rate in the manufacturing sector is between 30% and 40%, indicating gross under-utilisation of resources. This has been attributed largely to frequent power outages, lack of funds to procure inputs, fallen demand for manufactures and frequent strikes and lockouts by workers and their employers.
- c. **Low investments:** Lack of funds has made it difficult for firms to make investments in modern machines, information technology and human resources development, which are critical in reducing production costs, raising productivity and improving competitiveness. Low investments have been traced largely to banks' unwillingness to make credit available to manufacturers, owing partly to the mismatch between the short-term nature of banks' funds and the medium to long-term nature of funds needed by industries. In addition, banks perceive manufacturing as a high risk venture in the Nigerian environment, hence, they prefer to lend to low-risk ventures, such as commerce, in which the returns are also very high. Even when credit was available, high lending rates, which were over 40% at a time, made it unattractive, more so when returns on investments in the sub-sector has been below 10% on the average.
- d. **High cost of production:** Since the introduction of SAP, high and increasing cost of production has been recorded by most business organisations as a major constraint in their operations as shown in different CBN Business Surveys. Increased cost, traced largely to poor performing infrastructural facilities, high interest and exchange rates and diseconomies of scale, has resulted in increased unit price of manufactures, low effective demand for goods, liquidity squeeze and falling capacity utilisation rates.
- e. **Inflation:** This is persistent increase in the general price level constituting a disincentive to saving for future use and thereby retarding investments and growth. It also encourages speculative activities and diverts resources from productive ventures.
- f. **Poor performing infrastructure:** As has been explained earlier, poor performance of infrastructural facilities, characterised by frequent disruption in electric

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power, water supplies, inefficient telecommunication and transportation systems, is a major constraint for productivity. As firms have to invest huge capital outlay to provide alternative infrastructural facilities to run their businesses, enterprises are forced to carry high cost structure, which reduces efficiency and results in loss of competitiveness for their products.

High productivity in the Nigerian manufacturing industry is a necessary condition for the sectors' recovery, achieving competitiveness, boosting the GDP and uplifting the standards of living of the people. Achieving high productivity will require a frontal attack on the problems that were discussed in the previous section. The steps that must be taken will include the following:

- i. **Upgrading of technological capacity:** The manufacturing sector needs to improve productivity through upgrading its technologies. Technology can help to improve productivity in four major ways: better machinery that can reduce production time and costs; better methods and process controls; breakthrough into completely new ways of doing things and product designs that can improve competitive edge and reduce costs. Most machines that are now in use are obsolete and the cost of maintaining them is very high. They should be replaced with modern machines that have better product designs and faster processes. Computerisation of processes and procedures should be embarked upon to save time and costs. Simultaneously, building local capacity to produce appropriate technology should be encouraged through continuous on-the-job training, enhanced research and development efforts and the promotion of technological education in the school system.

- ii. **Reducing cost of production:** Controlling production costs should be given preference in productivity management. It should aim at reducing waste and optimising the use of resources. The adoption of strategic planning is one sure way of reducing costs and boosting productivity. This is a medium to long-term framework for allocating resources, putting the external environment into consideration. It starts by evaluating the organisations current products, processes and procedures with the aim of determining its strengths and weaknesses; setting new targets, identifying the gaps and designing measures to fill them. One major objective of strategic planning is to

Effective investments make for growth and productivity.

reduce cost through the re-engineering of the operations of the organisation. Work study is also used to reduce costs and boost productivity. It involves the analytical study of work processes and procedures for the purpose of knowing exactly what has to be done; the optimum conditions of work in terms of methods, layouts, batch size, equipment etc. A careful application of work study helps to reduce ineffective operations or uneconomic processes and makes for better planning and optimum costing; as well as good control and reward systems.

Currently, most firms have their warehouses filled with finished goods, owing to low demand.

- iii. **Increasing investments:** Effective investments make for growth and productivity. Capital investments are needed to acquire modern machinery and equipment and appropriate technology, as well as upgrade the quality of the labour force and the environment. This will require lots of funds which is difficult to source from the banking system. A lot needs to be done to solve the problem of capital finance, hence, the use of the capital market for long-term financing is also necessary and should be encouraged.
- iv. **Reducing dependence on imports:** Reducing dependence on imports for industrial goods will have the impact of cutting cost in the long-run, increasing value and boosting productivity. This will call for improved research and development efforts that are demand-driven and the rehabilitation of the Core Industrial Projects (CIPs), most of which have closed down. The CIPs were established by the government to produce raw materials, spare parts and machinery for downstream industries. The optimum solution to their problem would be privatisation.
- v. **Stimulating demand for manufactured products:** Currently, most firms have their warehouses filled with finished goods, owing to low demand. Salaries and wages have just been increased in the public sector with the intention that the private sector will follow suit. This will, all things being equal, boost aggregate demand in the economy, substantially reduce the pile up of finished goods and induce expansion in manufacturing capacity utilisation rate. For the economy to realise the full benefits of the wage increase, the current influx of imported goods must be checked.

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Training, both physically, socially, intellectually and mentally is very essential in facilitating not only the level of productivity but also the development of personnel in any organisation.

NIGERIA: Hope Rekindled

Knowledge is the ability, the skill, the understanding, the information, which every individual requires to function effectively and perform efficiently. Human resources are the most valuable assets of any organisation. With the machines, materials and even the money, nothing gets done without man-power. It has been opined that training is a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task or job. It can take place in a number of ways - on the job or off the job; in the organisation or outside the organisation. Staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organisation.¹⁰ The effectiveness and success of an organisation therefore lies with the productivity of the people, who form and work within the organisation and is usually enhanced by the following:

Knowledge is the ability, the skill, the understanding, the information, which every individual requires in order to be able to function effectively and perform efficiently

adequately on a given task or job. It can take place in a number of ways - on the job or off the job; in the organisation or outside the organisation. Staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organisation.¹⁰ The effectiveness and success of an organisation therefore lies with the productivity of the people, who form and work within the organisation and is usually enhanced by the following:

- Improve the quality of work and raise morale.
- Develop new skills, knowledge, understanding and attitudes.
- Use correctly new tools, machines, processes, methods or modifications thereof.
- Reduce waste, accidents, turnover, lateness, absenteeism, and other overhead costs.
- Implement new or changed policies or regulations.
- Continuously renew skills, technologies, methods and management.

Many enterprises limit their employee productivity improvement to the acquisition of skills. However, a significant number of productivity problems reside in the work environment of organisations. The work environment has effect on the performance of employees. The type of work environment in which employees operate determines the way in which such enterprises respond. Factors in both the external and internal work environment as well as employment policies as they currently exist could be unfavorable to the enhancement of labour productivity¹¹. It is therefore imperative for governments at the federal and state levels to explore ways of improving and updating infrastructural facilities in order to make work environments more conducive for enhancement of labour productivity. Similarly, job and organisation

Consequent upon this, the country, several years after its Independence, is still poverty-ridden because the basis of a developing economy and associated standard of living, is rising efficiency, which is directly linked to productivity.

10 Adeniyi, O.I. (1995). "Staff training and development" p. 159-167. Nigeria, Lagos: Maltho use Press Ltd.

11 Akinyele Samuel Taiwo. The Influence of Work Environment on Workers' Productivity: A Case of Selected Oil and Gas Industry in Lagos, Nigeria.

tionally related factors and employment policies must be looked into by the respective employers for possible reviews, so as to make them more favourable and thereby challenge workers to be more productive.

Labour is generally regarded as the most dynamic of all the factors that are employed for the creation of wealth, being that it has the potential to energise and serve as a catalyst to all the other resources. Productivity is thus of fundamental importance to the individual worker of whatever status, to the organisation whether commercial or not and to the national economy at large and accordingly therefore, to the upliftment of the welfare of the citizen and the reduction of mass poverty. The concern for productivity, especially in the public sector has increased with intensity, culminating in the establishment of the National Productivity Centre under the Federal Ministry of Employment, Labour and Productivity. The primary duty of the National Productivity Centre as set out by Decree No. 7 of 1987, is to stimulate productivity consciousness among Nigerian workers and to develop and supply the right technical solutions to productivity problems across all sectors of the national economy. As a follow up, the federal government introduced welfare packages as a source of motivational strategy for higher performance and higher productivity and improvement in government establishments but these did not yield positive results in improving productivity. The problem remained more or less unabated. It is not in doubt that Nigeria is richly and extra-ordinarily endowed with all the three basic principal factors needed for enhancement of productivity – capital, human and mineral resources. It has been unable to take advantage of these factors to achieve corresponding level of outputs. Consequent upon this, the country, several years after Independence, is still poverty-ridden because the basis of a developing economy and associated standard of living, is rising efficiency, which is directly linked to productivity.

Productivity in an organisation can, in principle, be influenced by a wide range of internal and external variables, which may be categorised as:

- General factors: Which include climate, geographic distribution of raw materials, fiscal and credit policies, adequacy of public utilities and infrastructural facilities, etc.
- Organisational and Technical factors: Namely, the degree of integration, percentage of capacity, size and stability of production. etc.
- Human factors: Which comprise labour- management relations, social and psychological conditions of work, wage incentives, physical fatigue, trade union practices, etc.

The ability of employees within an organisation to share knowledge throughout the system is very important and depends on the conditions of their work environment. Corporate executives from various industries do not fully leverage their physical work environment to enable increased collaboration, innovation and improved work effectiveness. It is also

NIGERIA: Hope Rekindled

observed that employees tend to be more productive in enhanced work environment. Moreover, the quality of comfort derivable from the work environment determines the level of satisfaction and productivity of workers. Workers productivity cannot be optimal, if the conditions of work environment are not favourable.

Table 5.10 5th Pillar: Higher education and Training

5th Pillar: Higher education and training										
COUNTRIES										
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
INDICATORS	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Secondary education enrolment, gross %	82.1	106	59.2	63.2	80.7	69.1	44	107	93.8	97.1
Tertiary education enrolment, gross %	7.4	25.6	12.3	17.9	24.9	42.3	10.3	72	15.4	103
Quality of the education system	3.7	3	4.2	4.4	4.3	5	3.1	5.8	2.1	3.8
Quality of math and science education	3.8	2.6	4.2	4.7	4.7	4.9	3.1	6.3	1.9	5.1
Quality of management schools	3.8	4.5	4.5	5	4.4	4.9	3.7	5.7	5.2	4.5
Internet access in schools	3.4	3.6	3.1	4.1	4.8	5.2	3.5	6.3	3.1	6.1
Availability of research and training services	3.6	4.7	3.8	4.5	4.5	5.3	4	5.4	4.4	4.8
Extent of staff training	3.8	4.3	3.9	4.2	4.6	5.1	4.3	5.2	4.9	4.2

Source: World Economic Forum, 2013

Higher education and training: Higher education and training is particularly crucial for economies that want to move up the value chain beyond simple production processes and products. This pillar measures secondary and tertiary enrolment rates as well as the quality of education as evaluated by the business community.

The need to provide a safe work environment for employees has a long history in human resource management. It is acknowledged that work systems cannot only affect commitment, competence, cost effectiveness and congruence but also have long term consequence for workers' well-being. There is some evidence to indicate that work system designs may have effects on physical health, mental health and longevity of life itself. Conducive work environment ensures the well-being of employees which invariably will enable them exert themselves to their roles with all vigour that more often than not translate to higher productivity. Work environment in its entirety, comprises the totality of forces, actions and other influential factors that are currently and/or potentially contending with the employee's activities and performance. Brenner (2004) was of the opinion that "the ability to share knowledge throughout organisations depends on how the work environment is designed to enable organisations utilise work environment as if it were an asset. This helps organisations to improve effectiveness and allows employees

to benefit from collective knowledge”.

There are two types of work environment, according to Kyko (2005), which are conducive and toxic work environments. Conducive work environment gives pleasurable experience to employees and enable them actualise their abilities and behaviour. This type of environment also reinforces self-actualising behaviours. An irresponsible employee can become responsible in a conducive work environment. Toxic work environment produces unpleasant experiences and at the same time, de-actualises employees' behaviour. This environment reinforces low self-actualising behaviours and it leads to the development of negative traits of the employees' behaviour. In a toxic work environment, responsible and sensible employees can become irrational and irresponsible as a survival strategy. Health capital is also very important, it is both a result and a determinant of labour and also income level. The richer nations have an average healthier workforce. The healthiness of the country's labour force determines importantly her level of productivity and hence economic growth. By intuition, labour productivity will vary as a function of the health capital of the economy amongst other factors of production and the efficiency with which these inputs are utilised. This provides the basis for diversity in labour productivity growth across regions.

Table 5.11 – 6th Pillar: Goods Market Efficiency

6TH PILLAR: GOODS MARKET EFFICIENCY										
COUNTRIES										
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
INDICATORS	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Intensity of local competition	4.7	5	5	5.6	5	5.4	4.9	5.6	5.3	5.9
Extent of market dominance	3.4	4.4	4	4.4	4	4.8	4	5.1	4.3	3.2
Extent of anti-monopoly policy	4	4.5	4.2	4.7	4.5	4.8	3.9	5.4	5.3	4.4
Effect of taxation on incentives to invest	4.7	2.5	3.9	4.1	4.4	5	3.9	6	4.7	3.4
Total tax rate, % profits*	25.3	69.3	33.5	61.8	34.5	24.5	33.8	27.6	33.3	29.8
No. of procedures to start a business*	10	13	7	12	9	3	8	3	5	5
No. days to start a business*	10	13	7	12	9	3	8	3	5	5
Agricultural policy costs	4.3	4.4	4.1	3.7	4.3	5	3.7	4.9	4	3.7
Prevalence of foreign ownership	4.6	3.9	4.1	4.4	4.3	4.8	4.1	5.6	4.7	4.1
Trade tariffs, % duty*	6.1	11.3	10.4	11.7	4.7	5	11	0.2	5.9	8.6
Prevalence of trade barriers	5.3	4.5	5.3	4.3	4.6	5.1	4.9	6.1	5.3	4.2

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The metrics, regarding agricultural policy costs and burden of custom procedures are very low. No doubt, the pains of clearing imported goods will testify to the harrowing experience of delays and extortion that takes place at the ports. Various re-organisation schemes carried out to improve things have not yielded positive fruits. This challenge is one major impediment to free international trade whether goods are being exported or imported. Next to this is the trade tariff, which with a score of 11, is the second highest only next to India with a score of 11.7 compared to Singapore (0.2), Indonesia (4.7) and Malaysia (5). A downward review of our trade tariff as in Singapore would yield the desired result.

Nigeria moved up to the 115th position in GCI in 2014, thanks to improved macroeconomic conditions (reflecting a positive government balance and a drop in inflation, although it remains in double digits) and a financial sector that is recovering from its 2009 crisis.

Table 5.12 shows labour market efficiency. Here, Nigeria records improvements in its labour market based on more efficient use of talent, scoring relatively high in co-operation in labour-employee relations, flexibility of wage determination and hiring and firing practices. Pay and productivity is poor and the reasons for the low productivity and how it can be addressed has been extensively discussed. The country's capacity to attract and retain talents remains very low relative to its comparators, which is as a result of the security in India, Indonesia and Malaysia. There is also little or no discrimination between what women earn in comparison to that of men. The improved education of the girl child should further brighten the possibilities. All in all, although there is room for improvement in the labour market efficiency, the country is generally on the right path.

Table 5.13 – 8th Pillar: Financial Market Development

8TH PILLAR: FINANCIAL MARKET DEVELOPMENT										
COUNTRIES										
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
INDICATORS	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Availability of financial services	4.4	5.3	4.4	5	4.9	5.5	4	6.1	6.4	4
Affordability of financial services	4.1	4.5	4.1	4.8	4.6	5.4	3.8	5.9	5.5	4.1
Financing through local equity market	3.8	3.8	4.2	4.6	4.3	4.9	3.7	5	5.6	3.4
Ease of access to loans	3.2	2.9	2.4	3.3	3.9	4.4	1.9	4.5	3.6	2.2
Venture capital availability	2.8	2.7	2.7	3.3	3.7	4.2	2.3	4.2	3.3	2.1
Soundness of banks	5.5	5	5	5.5	5	5.7	4.3	6.5	6.6	4.2
Regulation of securities exchanges	4.3	4.6	4.6	5.1	4.4	5.3	4	5.9	6.6	3.8
Legal rights index, 0-10 (best)	7	8	8	8	3	10	9	10	10	8

Note: Values are on a 1-to-7 scale, unless otherwise annotated with an asterisk (*)

Source: *World Economic Forum, 2013*

Financial market development: The recent economic crisis has highlighted the central role of a sound and well-functioning financial sector for economic activities. An efficient financial sector allocates the resource saved by a nation's citizens, as well as those entering the economy from abroad, to their most productive uses. Business investment is also critical to productivity. Therefore economies require sophisticated financial markets that can make capital available for private-sector investment from such sources as loans from a sound banking sector, well-regulated securities exchanges, venture capital and other financial products.

Nigeria moved up to the 115th position in GCI in 2014, thanks to improved macro-economic conditions (reflecting a positive government balance and a drop in inflation, although it remains in double digits) and a financial sector that is recovering from its 2009 crisis. The bad news is that access to finance and venture capital is still rather weak and needs to match up to good performance in other indicators.

In addition, investor's perception of the strength of the economy seems to have been dimmed by the predicament associated with the rising level of external debt and insecurity in the system. This was further worsened by incoherence in public policy processing and implementation. The immediate impact was years of policy inconsistency and over time, poor economic performance. This created a very harsh business environment that did not make competitiveness worthwhile. However, for some time now, Nigeria seems to have achieved some measure of macroeconomic stability and a steady level of growth.

Table 5.14 – 9th Pillar: Technological Readiness

9TH PILLAR: TECHNOLOGICAL READINESS										
Countries										
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
INDICATORS	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Availability of latest technologies	4.6	5.1	4.7	5.2	5.1	5.7	4.6	6.2	5.6	5.9
Firm-level technology absorption	4.3	5	4.4	5	5.1	5.5	4.6	5.8	5.4	5.7
Individuals using internet, %*	11.5	49.8	17.1	12.6	15.4	65.8	32.9	74.2	41	45
Fixed broadband internet subscriptions / 100 pop*	0.8	9.2	0.3	1.1	1.2	8.4	0	26.1	2.2	37.6
Mobile broadband subscription/ 100 pop*	16.6	36.6	33.3	4.9	31.9	13.5	10.2	123	26	106
Note: Valuea are on a 1-to-7 scale, unless otherwise anootated with an asterisk (*)										
Source: World Economic Forum, 2013										
Technological readiness: In today's globalised world, technology is increasingly essential for firms to compete and prosper. The technological readiness pillar measures the agility with which an economy adopts existing technologies to enhance productivity of its industries, with specific emphasis on its capacity to fully leverage information and communication technologies (ICT) in daily activities and production processes for increased efficiency and enabling innovation for competitiveness.										

Apart from macroeconomic stability, the issue of governance is an important factor that can be used to measure the level of competitiveness of an economy. Good governance is essential to attract Foreign Direct Investment (FDI), and also local savings, since people lose confidence in governments that are indifferent to their needs. Nigeria has also received a relatively high level of international financial flow.

The good news in the macroeconomic level and governance have translated into high level of growth albeit with unemployment, income inequality and rising poverty level. This has generated mixed rating of a vote of confidence in the economic governance level on the one hand, and accounts for poor transparency and corruption on the other.

Table 5.15 – 10th Pillar: Market Size

10TH PILLAR: MARKET SIZE										
COUNTRIES										
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
INDICATORS	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Domestic market size, 1-7 (best)	2.8	5.7	3.5	6.2	5.2	4.5	4.4	4.2	4.8	5.4
Foreign market size, 1-7 (best)	3.7	5.6	4.3	6.4	5.6	5.8	5.4	6	5.2	6.3
GDP (PPP\$ billions)	31.5	2 355.60	82.4	4 684.40	1 216.70	498	448.1	326.5	582.4	1 613.90
Exports as a % of GDP	35.8	11.7	37.8	24.2	24	87.4	43.2	195.8	26.6	56.8

Source: World Economic Forum, 2013

Technological readiness: The size of the market affects productivity since large markets allow firms to exploit economies of scale. Traditionally, the markets available to firms have been constrained by borders. In the era of globalization, international markets can to a certain extent substitute for domestic markets, especially for small countries. Vast empirical evidence shows that trade openness is positively associated with growth. Even if some recent research casts doubt on the robustness of this relationship, there is a general sense that trade has a positive effect on growth, especially for countries with small domestic markets.

The country has a number of strengths on which to build on, including its relatively large market (Nigeria is in the 32nd position as regards this), which provides its companies with opportunities for economies of scale. On the other hand, despite the slight improvement since year 2013, the institutional environment does not support a competitive economy, owing to concerns about the protection of property rights, corruption, undue influence, and government inefficiencies. Furthermore, the country is not harnessing the latest technologies for productivity enhancements, as demonstrated by its low rating on information and communication technology (ICT) penetration.

Although the current democratic regime has done a great deal to improve these shortcomings, much more needs to be done to succeed in attracting both domestic and foreign investor's competitiveness.

Closely related to good governance, is the quality of institutions in Nigeria which has been extensively discussed. According to Degefe (2000), the institutions of the states in

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Africa are significantly lagging behind compared to the average quality prevailing in other parts of the world like Asia - which is regarded as one of the most competitive regions in the world. It is also important to note that no investor (both domestic and external) would want to invest resources in environments that are politically unstable,

Nigeria's economy has become increasingly liberalised with government policy, allowing for increasing participation in international trade and removal of several foreign exchange restrictions.

in which policy reversals abound, private property is not respected, law enforcement is poor and the bureaucracy is inefficient, as is the case in Nigeria. Although the current democratic regime has done a great deal to improve these shortcomings, much more needs to be done to succeed in attracting both domestic and foreign investor's competitiveness. The degree of openness (measured by the ratio of total trade in the GDP) is another important factor that can be used to assess the level of competition of an economy. Openness of an economy ordinarily stimulates competition.

Globalisation and the impact of development on Information and Communication Technology (ICT) imposes it in a subtle way. As earlier indicated, Nigeria's economy has become increasingly liberalised with government policy, allowing for increasing participation in international trade and removal of several foreign exchange restrictions. This led to several legislative reforms, exchange rate policy since 1985, the pattern of growth of imports in the last decade or so especially food imports, the tariff structure and the series of incentives to export. However, despite all these reforms, manufactur-

The country even has a zero score in fixed broadband subscription. Nigeria has to be in a position to absorb and use technology as this is what propels productivity and growth in this jet age.

ing in Nigeria is severely constrained by a set of factors that have led to high transaction costs and general cost of doing business. With regards to technological readiness, Table 5.14 relates to Pillar 9, where Nigeria scores poorly at the bottom position in almost all the indicators from availability of latest technology, firm - level technology absorption, individual use of internet and mobile broadband subscription. The country even has a zero score in fixed broadband subscription. Nigeria has to be in a position to absorb and use technology as this is what propels productivity and growth in this jet age.

Table 5.16 – The GCI Index 2013: Innovation and Sophistication Factors

COUNTRY	INNOVATION AND SOPHISTICATION FACTORS		PILLARS			
			11		12	
			Business sophistication		Innovation	
Rank	Score	Rank	Score	Rank	Score	
Botswana	106	3.3	102	3.61	102	2.99
Brazil	46	3.92	39	4.42	55	3.42
Ghana	72	3.56	81	3.85	64	3.27
India	41	4	42	4.38	41	3.62
Indonesia	33	4.13	37	4.44	33	3.82
South Korea	20	4.82	24	4.86	17	4.78
Malaysia	23	4.7	20	5.02	25	4.39
Nigeria	82	3.44	75	3.89	100	3
Singapore	13	5.14	17	5.08	9	5.19
South Africa	37	4.06	35	4.49	39	3.64

Note: Ranks out of 148 economies and scores measured on a 1-to-7 scale.

Source: World Economic Forum, 2013

Nigeria's businesses are also sophisticated by regional standards with ranking of 75 (compared to a ranking of 35 for South Africa) with some cluster development, companies that tend to hire professional managers, and a willingness to delegate decision-making authority within the organisation. Nevertheless, this is still a far cry from its non-African comparators whose lowest ranking is 42 for India, 37 for Indonesia and 39 for Brazil. This shows the enormity of the grounds that still has to be covered. A breakdown of this measure into its indicators in this over-all score is very heart-warming. Nigeria scores well in many of these elements including local supply quality and quantity, state of clusters development, value chain breath and extent of marketing but nevertheless still has a long way to go to match South Africa. India, Malaysia, and Brazil all of which are firmly entrenched in the class where Nigeria should be operating, strictly speaking.

Nigeria scores well in many of these elements including local supply quality and quantity, state of clusters development, value chain breath and extent of marketing but nevertheless still has a long way to go

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Table 5.17 - 11th Pillar: Business sophistication

INDICATORS	COUNTRIES									
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
Local supplier quantity	3.9	5.3	4.6	5.7	4.9	5.3	4.7	4.8	4.9	5.2
Local supplier quality	3.7	4.8	4.2	4.4	4.5	5	4.2	5.1	5	5
State of cluster development	3.6	4.5	3.6	4.9	4.4	5	3.9	5.2	4.2	4.5
Nature of competitive advantage	3.5	3	3.8	3.4	3.6	4.6	3.3	5.6	3.4	5.5
Value chain breadth	3.2	3.7	3.8	4.2	4.4	5	3.7	5	3.5	4.7
Control of international distribution	3.5	4.3	3.8	4.4	4.4	5	3.8	4.3	4.6	4.8
Production process sophistication	3.2	4.5	3.8	4.1	4.4	5	3.6	5.5	4.4	5.3
Extent of marketing	3.4	5.1	3.6	4.4	4.8	5.1	4	5.2	5.3	5
Willingness to delegate authority	3.8	4.3	3.6	3.9	4.4	5	3.6	4.6	4.5	3.9

Note: Values are on a 1-to-7 scale

Source: World Economic Forum, 2013

Business sophistication: There is no doubt that sophisticated business practices are conducive to higher efficiency in the production of good and services. Business sophistication concerns two elements that are intricately linked: the quality of a country's overall business networks and the quality of individual firm's operations and strategies. These factors are particularly important for countries at an advanced stage of development when, to a large extent, the more basic sources of productivity improvements have been exhausted.

Competitiveness cannot be fully discussed without mentioning the role of technology. Technology is an important instrument in promoting international competitiveness. The level of technology determines the overall performance of business and consequently, the development of a country. Nigeria as a nation can hardly boast of refined local technological capability. Indeed, the effect of years of military rule can best be gauged from the level of technological backwardness in Nigeria. Some have traced this to the early 1970s when the policy of indigenisation sent the wrong signals, followed by a series of enterprise regulation that constrained free flow of capital and intellectual properties.

However, in the past few years, there has been a major development in the private sector in the area of technological development. For instance, the emergence and growth of indigenous small and medium scale machinery and equipment has led to the establishment of fabrication industries and the manufacture of spare parts and components (located in major commercial cities of Kano, Aba, Port Harcourt, Onitsha, etc.). They are able to manufacture a range of products, which ordinarily improves competitiveness, since spare parts are locally made for those firms that need them; they are again constrained by

technical challenges, policy inconsistency and harsh business environment. Unfortunately, large firms who would have facilitated their survival and growth through patronage, often patronise foreign products under the guise that the locally manufactured ones are technically sub-standard. These products will only be improved to meet foreign standards when large firms support local production.

Table 5.18 – 12th Pillar: Innovation

INDICATORS	COUNTRIES							NIGERIA	SINGAPORE	SOUTH AFRICA	SOUTH KOREA
	BOTSWANA	BRAZIL	GHANA	INDIA	INDONESIA	MALAYSIA	Value				
Capacity for innovation	3.2	4	3.7	4	4.4	4.9	3.4	4.8	4.1	4.5	
Quality of scientific research institutions	3.3	4.3	3.8	4.5	4.1	4.9	3.1	5.6	4.8	4.9	
Company spending on R&D	2.9	3.6	3.1	3.6	4.1	4.6	3.9	5	3.5	4.6	
University-industry collaboration in R&D	3.2	4	3.4	4	4.5	5	3.3	5.6	4.5	4.7	
Government procurement of advanced tech products	3.5	3.5	4	3.3	4.1	4.8	3.4	5.1	2.9	4	
Availability of scientists and engineers	3.3	3.4	0	1.4	4.5	4.9	4	5	6.2	4.6	
Note: Values are on a 1-to-7 scale Source: World Economic Forum, 2013											
Innovation: Innovation can emerge from new technological and non-technological knowledge. Non-technological innovations are closely related to the know-how, skills and working conditions that are embedded in organizations and are therefore largely covered by the eleventh pillar of the GCI. The final pillar of competitiveness focuses on technological innovation. Firms in these countries must design and develop cutting-edge products and processes to maintain a competitive edge and move toward higher value-added activities. This progression requires an environment that is conducive to innovative activity and supported by both the public and the private sectors.											

As Table 5.18 shows, dealing with innovation is instructive. Nigeria scores very poorly in all the indicators. The country is low on innovative capacity, where at a score of 3.4, it is only slightly better than Botswana at 3.2. The country scores very low in quality of scientific research at 3.1 and even lower in R&D spending at 2.9. Nigeria scores very poorly in university – industry collaboration, where its score of 3.4 is only better than that of South Africa. This is a very serious indictment of the country's innovation profile, which must change if she is to move towards industrialisation. Although, Nigeria has scientists and engineers, where it scores 4, this assets need to translate to practical application by government, encouraging more R&D and university – industry collaboration.

A state of denial

The World Economic Forum (WEF), on 4th September, 2014 released the 2014 Global Competitiveness Index, GCI rankings, in which Nigeria ranked 127 of the 144 countries assessed. Nigeria's ranking has steadily fallen from 115 out of 148 in 2011, 117 out of 148 in 2012, 120 out of 148 in 2013 and now 127 out of 144 in 2014 ranking. Rather than improve, the Nigerian ranking has regressed. This continued relapsing was too much for

Rather than people getting angry, tacit steps should be taken to address the salient issues towards the creation of economic freedom that will nurture and create national and international competitiveness.

the Nigerian authorities to take, after they have put in so much through the transformation agenda and looked forward to improvement in the country's ranking. In a sharp and strongly-worded reaction to the ranking, the National Competitiveness Council of Nigeria (NCCN), said it recognises the fundamental importance of continuing in its mission to improve Nigeria's international competitiveness and address constructive portions highlighted in the ranking Index. It contended that it is increasingly clear that a perception gap exists between the way some ranking agencies view Nigeria and the reality on the ground of steadily improving trends. The NCCN also said it has begun to take steps to redress this mis-

alignment between perception and reality both internally and externally. They buttressed their point by the fact that Nigeria's Foreign Direct Investment (FDI), remains the largest in Africa, stating that a recent Wall Street Journal list of multinational CEOs ranked Nigeria first among emerging market investment destinations. The country also outperformed peers like South Africa and Ghana in macroeconomic stability reflected in stable exchange rates, single digit inflation, fiscal restraint, low debt levels and lower poverty levels.

The fury of those that are working so hard to make things better can be understood.

Nigeria is still far from the Innovation-driven Stage where companies compete by producing new and different goods through new technologies and/or the most sophisticated production processes or business models.

However, the poor ranking of Nigeria must be put in their perspective so that a concerted approach can be taken towards a medium to long term improvement. Rather than people getting angry, tacit steps should be taken to address the salient issues towards the creation of economic freedom that will nurture and create national and international competitiveness. To start with, the GCI is based on facts and data and not on perception. The structure that is applied to generate it must be understood in order to properly situate the Nigerian scores and ranking.

The Global Competiveness Index (GCI) has 12 pillars, which will not apply to all the countries equally, given that they are at different levels of economic development. The GCI assumes that economies are grouped in three stages. **Stage 1:** This is the **factor-driven stage** where the countries compete based on their factor endowments — primarily low-skilled labour and natural resources. Companies compete on the basis of price, and sell basic products or commodities, with their low productivity reflecting in low wages and income. Maintaining competitiveness at this stage of development hinges primarily on institutions, infrastructure, micro economic environment, health and education. **Stage 2:** The **Efficiency-driven stage** of development, is when countries begin to develop more efficient production processes and increase product quality, because wages have risen and they cannot increase prices. At this point, competitiveness is increasingly driven by higher education and training, efficient goods markets, well-functioning labour markets, developed financial markets, the ability to harness the benefits of existing technologies, and a large domestic or foreign market. **Stage 3:** Finally, as countries move into the **innovation-driven stage**, companies must compete by producing new and different goods through new technologies and/or the most sophisticated production processes or business models.

Nigeria is primarily a Stage 1 economy. Even within this category, it is an open secret that the institutions, infrastructure, health and primary education are problematic as has been explained over and over in this book. Despite the continued strong macroeconomic profile of the country, investors still have to contend with several other issues. These are not perceptions but facts that people live with, feel and deal with on a daily basis. Nigeria cannot expect to be ranked above countries that have successfully conquered Stage 1 and are making inroads into Stage 2. In Stage 2, although Nigeria has developed relatively good and efficient markets, the parallel, black or under the table market is still a significant draw back. The financial market is developing rapidly and the labour market when we abstract from the uncomfortably high unemployment market. is moving in the right direction but higher education, training and technological readiness remain a huge challenge. The internal market size is good, but with more than 60% living below poverty line, the purchasing power is low. The bottlenecks at the ports and the low quality of the products are making it difficult to expand the market internationally, not only on the West Coast which should be a captive market for Nigeria but also in Europe and America. And of course, Nigeria is still far from the Innovation-driven Stage where companies compete by producing new and different goods through new technologies and or the most sophisticated production processes or business models.

As if in a case of sales promotion where marketers basically engage in taking concerted efforts to convince potential consumers about the quality of their products. the truism has always been in the adage “the taste of the pudding is in the eating”. Facts do not lie.

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no matter how they are massaged and venerated. Even in the face of observable decline in international ratings and the obvious low living standard of a vast majority of the people, government officials in Nigeria have remained resolute in their arguments that the country is getting better. Though government officials often kick back whenever Nigeria gets negative international ratings, but rather than contest the views of these bodies, government should work hard to change unfavourable global ratings and data by working to generally improve the environment that generates the data applied for the indicators in the first place.

Increasing the competitiveness of the Nigerian economy: The way forward

In the light of the identified factors responsible for our low global competitiveness ranking, the view that has been canvassed in order to make progress are as follows:

- Further improvement in ranking in the area of macroeconomic stability would rest on sustained, prudent, fiscal policy that will continue to decouple government's expenditure from the volatile oil revenues. This is crucial for managing the macro economy in such a way that will build and maintain strong competitiveness in the non-oil sectors, in the face of considerable external inflow from oil. The Nigerian Sovereign Wealth Fund that has been set up will help in this regard.
- The most immediate constraints that need to be addressed include infrastructural facilities notably power, roads, rail, and the business environment. An efficient and competitively-priced economic infrastructure is central to raising productivity and increasing growth. It is heartwarming that the transformation agenda of the government is firmly addressing all these issues.
- Further enhancing access to finance by SMEs will also enhance resources for private sector as the engine of growth. Government has launched various schemes in the last few years to improve SME access to finance.
- Addressing the culture of rent-seeking created by access to 'easy' oil rents reduces incentives to create wealth that can be taxed. Dependence on oil rents as opposed to taxation reduces government accountability and, therefore, undermines the effectiveness of political and economic institutions.
- The dualism of the Nigerian economy in terms of formal and informal sectors must be addressed. The dualistic nature created by a large informal sector hinders efficient resource allocation and reduces the competitive pressure to drive up productivity in the economy.
- Raising productivity and efficiency at the firm level and also across the economy, including through shifting the structure of production towards higher value added activities, should be at the centre of our non-oil growth towards strategy.
- Achieving improved productivity would require a strong human capital base and improved use of technology.

- Reforms that would make property transfers easier are essential for encouraging entrepreneurs.
- In the light of the experience of other countries, consideration has to be given to establishing commercial courts across the country. Specialised commercial courts have been found to provide faster and cheaper contract enforcement.
- Greater co-ordination and collaboration is required between the federal and state governments to prevent multiple taxation that could potentially discourage investment.

Competitiveness, productivity and employment are issues that are central to the social and economic life of every country. The extant literature refers to productivity and unemployment as constituting a vicious circle that explains the endemic nature of poverty in developing countries. And it has been argued that continuous improvement in productivity is the surest way to breaking this vicious circle.

A country with high productivity is often characterised by very high capacity utilisation (optimal use of resources), high standard of living, low rate of unemployment and social progress. This is where Nigeria should aim to be.

Growth in productivity provides a significant basis for adequate supply of goods and services, thereby improving the welfare of the people and enhancing social progress. In fact, the observation has been made that continuous enhancement of productivity has been very central to the brilliant performance of the Asian Tigers and Japan in recent years. Recent developments in the world economy have also shown that countries with high productivity are not only central to the determination of global balance of powers (e.g. Japan and Germany), but also serve as centres of stimulus, where world resources (including labour) are redirected to, as opposed to countries with low or declining productivity. Recent studies, for example, Rensburg and Nande (1999) and Roberts and Tybout (1997) have also shown that high productivity increases competitiveness in terms of penetrating the world market. Thus, a country with high productivity is often characterised by very high capacity utilisation (optimal use of resources), high standard of living, low rate of unemployment and social progress. This is where Nigeria should aim to be.

The dualistic nature created by a large informal sector hinders efficient resource allocation and reduces the competitive pressure to drive up productivity in the economy.

CHAPTER SIX

Breaking the cycle

Failure is the opportunity to begin again more intelligently.

– Henry Ford

- Unworthy Characteristics
- An Eagle With Clipped Wings
- Scapegoat Economics
- Messing Up With A Key Factor Of Production
- The Hammer For Good Or Evil
- Half-Baked Industrial Plans
- Business Hygiene Factors
- Creating An Enabling Environment
- Glimmer Of Hope

Unworthy characteristics

The rebasing of Nigeria's GDP in 2013 catapulted the country to a per capita GDP of \$2900, making Nigeria a medium income economy by the World Bank classification. The rebasing, apart from the bragging rights it conferred and the more accurate data that it provides to analysts, does not change anything as the country remains basically underdeveloped and still a poor nation. According to Fitch Ratings "... The 2013 per capita GDP rises by 89% to \$2,900 on Fitch's calculations. But it remains below both the 'BB' and 'B' category peer group medians of \$4,528 and \$3,841, respectively. It is also below similarly rated oil exporters like Gabon (\$10,688) and Angola (\$5,703)".¹ The fact in this statement is underscored by a review of some of the many indicators of underdevelopment. The first criterion is the ratio of industrial output to total output. According to this criterion, countries

The degree of industrialisation is often a consequence rather than a cause of economic prosperity in a country.

1 <http://www.thisdaylive.com/articles/world-bank-gdp-rebasing-no-guarantee-for-financial-inflows/175630/>

with a low ratio of industrial output to total output are considered underdeveloped. But this ratio rises with an increase in the per capita income. Therefore, the degree of industrialisation is often a consequence rather than a cause of economic prosperity in a country. In countries, where agriculture is developed, tertiary or service industries tend to grow spontaneously because increasing disposable agricultural surplus creates demand for the products of the industrial sector. But when the agricultural income of the disposable surplus is used to subsidise uneconomic urban industry, the overall per capita income would tend to be lower. Although, this criterion is not a valid indicator of underdevelopment as has been explained, Nigeria bears the hallmark of all that it measures. As discussed in the structure of the economy below, industrial output to total output is low and the country's agricultural development is generally low. The little available disposable income is expended on imported items that flood the country from all corners of the world.

The second criterion of underdevelopment is the low ratio of capita per head of population. Nurkse defines underdeveloped countries as those "compared with the advanced countries, are underequipped with capital in relation to their population and natural resources."² But dearth of capital is not a satisfactory criterion of underdevelopment for the following reasons: (a) Capital deficiency is not related to the absolute size of a country's stock of capital but to the ratio of capital to population or to some other factor. (b) The principle of marginal productivity states that where the ratio of capital to other factors is low, the marginal productivity of capital is high. But it is difficult to infer from this that, in underdeveloped countries marginal productivity of capital is high since capital is scarce, or that a high marginal productivity of capital suggests a scarcity of capital. In the case of Nigeria, poor organisation, low skills and productivity along with low technological penetration have tended to keep the marginal productivity of capital low. (c) Moreover, if capital deficiency is taken as an indicator of underdevelopment, other socio-economic factors, which are abundantly impactful in Nigeria, are neglected. As Nurkse himself says, "Economic development has much to do with human endowments, social attitudes, political conditions and historical accidents. Capital is necessary but not a sufficient condition of progress". A third criterion indicates poverty as the main cause of underdevelopment. Staley defines an underdeveloped country as one "characterised by mass poverty, which is chronic and is not the result of some temporary misfortune nor caused by obsolete

In the case of Nigeria, poor organisation, low skills and productivity along with low technological penetration have tended to keep the marginal productivity of capital low.

² Ragnar Nurkse. (1953). *Problem of Capital Formation in Underdeveloped Countries* Page 12. New York: Oxford University Press.

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methods of production and social organisation, meaning that poverty is not entirely due to poor natural resources and hence, could presumably be lessened by methods already proved in other countries³. This definition points towards some of the important characteristics of what Nigeria faces with the high level of poverty that confronts it nationally and particularly in the North East and North West. Nigeria has abundant unexploited natural resources, but is confronted by scarcity of capital goods and equipment, obsolete low technology of production and defects in socio-economic organisation. But it does not lay emphasis on the basic criterion of underdevelopment, viz, low per capita income. As Barbara Ward says, "Perhaps the most satisfactory method of defining poverty is to discuss the question simply in terms of per capita income – the average income available to citizens in the various countries"⁴. It can be argued that in stretching this, the low per capita real income of Nigeria makes it a poor country.

The standard of living in Nigeria, particularly in the rural areas and the deprived regions that have been discussed so far is a characteristic of underdevelopment – semi-thatched houses and almost negligible clothing. People live in extremely insanitary conditions

In Nigeria as in most underdeveloped countries, two-thirds or more of the people live in rural areas and their main occupation is agriculture. This heavy concentration in agriculture is a symptom of poverty.

with many not having access to safe drinking water and sanitary waste disposal. Of every 10 children born, two die within a year, another three die before the age of five, and only five survive to the age of 40 years as a result of poor nutrition, unsafe water, poor sanitation, uninformed parents and lack of immunisation. As observed, services like education and health service are not well provided, with less than 70% of children of primary school age attending school. At the secondary school level, enrolment rates are lower than 20%, while enrolment in higher education hardly comes up to 3% in some areas. Moreover, the type of education being imparted

in the majority of the schools and institutions is ill-suited to the development needs of the country. Thus, the vast majority of the people as shown by statistics are ill-fed, ill-clothed, ill-housed and ill-educated. Poverty is, therefore, the basic malady of Nigeria which needs to be positively addressed by rapid balanced and inclusive economic growth.

In Nigeria as in most underdeveloped countries, two-thirds or more of the people live in rural areas and their main occupation is agriculture. This heavy concentration in agriculture is a symptom of poverty. Agriculture, as the main occupation, is mostly unpro-

3 Staley E. (1961). *The Future of Underdeveloped Countries: Political Implications of Economic Development*. Page 13. New York: Harper

4 Barbara Ward. (1962). *The Rich Nations and the Poor Nations*. W.W. Norton

ductive. It is carried out in an old fashioned way with obsolete and outdated methods of production. The average land holdings are as low as 1-3 hectares which usually support 10-15 people per hectare. As a result, the produce from the land is precariously low and the people continue to live at a bare subsistence level. The corollary is that the country mainly specialises in the production of raw materials, including cash crops like rubber and palm oil and foodstuff and non-agricultural primary production such as minerals like rubber and palm oil. An underdeveloped country like Nigeria is therefore a primary sector economy. Besides the primary sector in the country, the secondary sector is less developed, with a few simple and small consumer goods industries and an equally underdeveloped tertiary sector inclusive of transport, commerce, banking and insurance services. Nigeria as an underdeveloped country also has a dualistic economy --market economy and subsistence economy; urban and rural; developed and underdeveloped. Centred in the towns, the market economy is ultra-modern with all the amenities of life, viz, radio sets, cars, buses, telephones, beautiful houses, palatial buildings, schools and colleges, government offices, business houses, banks and a few factories.

Thus, a characteristic of underdevelopment, which Nigeria suffers from, is the possession of resources that remain unutilised, underutilised or 'misutilise'

The subsistence economy is backward and is mainly agriculture-oriented. Dualism is also characterised by the existence of an advanced industrial system and an indigenous backward agricultural system. The industrial sector uses capital-intensive techniques and produces a variety of capital and durable consumer goods. The rural sector is engaged in producing agricultural commodities with traditional technique. Both perpetuate unemployment and disguised unemployment. There is also a formal and an informal economy. The informal economy represents the significant part of the whole, excluding the banking system, the tax systems and operates under the radar without any record of the activities undertaken. This sector stunts the general growth of the economy as it does not get the necessary professional and financial support required to grow and contribute positively to the national economy.

Keenleyside wrote: "The womb is slower than the bomb but it may prove just as deadly. Suffocation rather than incineration may mark the end of the human story"

Above all, it encourages black market operations, being that it generally operates outside the rule of law. The dualistic and informal nature of the economy is not conducive for healthy economic growth. The primary sector inhibits the growth of the secondary and informal sectors by putting a limit on their expansion and development. The natural resources of an underdeveloped country are underdeveloped in the sense that they are either

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unutilised, underutilised or 'misutilised'. Nigeria is not poor in natural resources. The challenge is the lack of appropriate technology and social and economic organisation to exploit its abundant natural resources. Thus, a characteristic of underdevelopment, which Nigeria suffers from, is the possession of resources that remain unutilised, underutilised or 'misutilised', due to various inhibitions such as their inaccessibility, lack of technical knowledge, non-availability of capital and the minimal coverage of the local market.

The demographic position and trends also give Nigeria away as an undeveloped country. Diversity exists in the size, density, age-structure and the rate of growth of population in developed countries. Nigeria has a rapidly increasing population, which adds a substantial number to the total population every year and there is a significant imbalance as 43% of the population is under 14 years of age and more than 70% thereof is under 35 years of age. With the country's low per capita income and low rates of capital formation, it

Nigeria suffers from economic backwardness manifested in low labour efficiency, factor immobility, limited specialisation in occupation and trade

becomes difficult to support this additional number of people. And when output rises due to improved technology and capital formation, it is swallowed up by increased population. As a result, there is no significant improvement in the living standards of the masses. In warning about the increase in population numbers, Keenleyside wrote: "The womb is slower than the bomb but it may prove just as deadly. Suffocation rather than incineration may mark the end of the human story"⁵. Almost all the underdeveloped countries possess high population growth potential, characterised by high birth-rate and declining death-rate.

The advancement made by medical science has resulted in the discovery of marvellous drugs and the introduction of better methods for improving public health and sanitation

It may be pointed out that technological backwardness is not only a cause of economic backwardness, but also the result of it.

which have reduced mortality and increased fertility. Declining death rates and increasing birth-rates result in very high natural growth rate of a population. The average annual growth rate of the population in developing countries is 2% as compared with about 0.7% in developed and underdeveloped countries, but that of Nigeria is 2.5%. This rapid increase in numbers aggravates the shortage of capital because large investments are required to be made, to equip the growing labour force, even with obsolete equipment. An important consequence of high birth-rate is that a larger proportion of

5 Keenleyside H N et al. (1964). *Dynamics of Development: An International Development Reader* Page 9. New York: Praeger.

the total population is in younger age groups. As has been explained, the percentage of population under 15 years of age is 43% in Nigeria, compared with only 20%-25% in developed countries. Moreover, 90% of the dependants are children, whereas this percentage is only 66% in developed countries. A large percentage of children in the population entails a heavy burden on the economy, which implies a large number of dependants, who do not produce at all, but consume. With many dependants to support, it becomes difficult for the workers to save for purposes of investment in capital equipment. It is also a problem for them to provide their children with the education and bare necessities of life that are essential for the country's economic and social progress in the long run.

Nigeria also has a shorter life expectancy, which means only a small fraction of its population is available as an effective labour force. Average life expectancy at birth in low income countries is like 52 years (Nigeria was 54 in 2012), whereas in developed countries it is 75 years on the average. Low life expectancy means that there are more children to support and few adults to provide for them which inhibits the rate of economic growth.

Nigeria suffers from economic backwardness manifested in low labour efficiency, factor immobility, limited specialisation in occupation and trade, economic ignorance, low values and a social structure that minimise the incentives for economic change. The basic cause of backwardness is to be found in low labour productivity as compared with the developed countries. This low labour efficiency results from general poverty, which is reflected in low nutritional standards, ill health, illiteracy and lack of training and occupational mobility, etc. The joint family system makes people lethargic and some, stay-at-home with parents. According to Stephen Enke, underdeveloped countries have what might be termed "an uneconomic culture." Primarily, this means that traditional attitude discourage the full utilisation of human resources. More specifically, it means that men are less likely to strive for extra consumption. In underdeveloped countries, people are mostly illiterate, ignorant, conservative, superstitious and fatalists. Poverty in such countries is abysmal, but it is considered to be God-given, something pre-ordained. It is never attributed to personal lack of thrift and industry. There is extensive prevalence of child labour, and women's status and position in society are inferior to men. Dignity of labour is conspicuously absent. Government jobs, even of a clerical nature, have more prestige than manual work. People are ranked not according to their capacity to do a particular job but by age, sex, class, clan and kinship. They are governed by customs and traditions. Individualistic spirit is absent. The value system minimises the importance of economic incentives, material rewards, independence and rational calculation. It inhibits the development and acceptance of

There is extensive prevalence of child labour, and women's status and position in society are inferior to men. Dignity of labour is conspicuously absent.

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new ideas and objectives and fails to compare the costs and advantages of alternative methods in achieving objectives. In short, the cultural value system within many poor countries is not favourable to economic achievement and the people remain economically backward.

Another feature of underdeveloped countries is the lack of entrepreneurial ability. Entrepreneurship is inhibited by the social system which denies opportunities for creative faculties. The small size of the market, lack of capital, absence of private property, absence of freedom of contract and of law and order, which have been extensively discussed under economic freedom and competitiveness, hamper enterprise and initiative. Besides, the few entrepreneurs, who are engaged in the manufacture of some consumer goods tend to become monopolistic or 'quasi-monopolistic'. They develop personal and political contacts with government officials, enjoy privileged positions and receive preferential treatment in finance, taxation, exports, imports etc., as has been recently seen in duty waivers and allocation to subsidised imported petroleum products. The few existing entrepreneurs, who establish individual business empires, also inhibit the growth of budding entrepreneurs within the country. The low number of entrepreneurs in Nigeria is also attributable to the lack of infrastructural facilities, which increase the risk and uncertainty of new entrepreneurship. Lack of properly developed means of transport and communications, expensive and irregular power supply, unavailability of sufficient raw materials, trained labour, well-developed capital and money markets, etc. all contribute to low creation of businesses.

Furthermore, entrepreneurship is hindered by technological backwardness in underdeveloped countries. This reduces output per man and the quality of products. Nigeria does not possess the necessary technical know-how and capital to develop its own technology which could increase output and utilise labour. Mostly, it has to depend on imported capital-intensive technology, which does not fit in its factor endowments.

The economy concentrates mainly on the production of primary exports to the comparative and neglect of the other sectors of the economy.

Nigeria's technological backwardness is reflected in high average cost of production despite low wages; in high labour-output and capital-output reflecting general low productivity of labour and capital; in the predominance of unskilled and untrained workers; and in the large amount of capital equipment required to produce national output. Deficiency of capital hinders the process of scrapping off the old techniques and the installation of modern equipment. Illiteracy and the absence of skilled

6 G M Meier and E Baldwin. (1964). *Economic Development: Theory, History, Policy* pp 291-292. New York: Wiley

labour are major hurdles in the advancement of techniques in a backward economy. Thus, it may be pointed out that technological backwardness is not only a cause of economic backwardness, but also the result of it.

Finally, Nigeria is one of the underdeveloped economies that is generally foreign trade-oriented. This orientation is reflected in exportation of primary products, and importation of consumer goods and machinery. The percentage share of fuel, minerals, metals, and other primary products in the merchandise exports of the majority of such countries as revealed by a recent World Bank data, is about 80% on the average. This high dependence on exports of primary products leads to serious repercussions on their economies. The economy concentrates mainly on the production of primary exports to the comparative and neglect of the other sectors of the economy. The economy also becomes particularly susceptible to fluctuations in the international prices of the export commodities, hence a depression in the international market leads to a fall in demand and prices. As a result, the entire economy is adversely affected. Over-dependence on a few export commodities to the utter neglect of other consumption goods, has made Nigeria highly dependent on importation of fuel, manufactured products, primary commodities, machinery, transport equipment and even food items. The foreign trade-orientation is also evident in the flow of foreign capital to underdeveloped countries. It plays a dominant role in developing and expanding the export sector. It also controls and manages those services which are ancillary to the export sector. In this way foreign capital tends to monopolise its position in certain selected fields, particularly petroleum. However, foreign capital is interested only in maximising gains even if that is at the expense of the developing countries.

An eagle with clipped wings

History shows that no country has ever become rich by exporting raw materials without also having an industrial sector, and in modern times an advanced services sector. The more a country specialises in the production of raw materials alone, the poorer it becomes – industries multiply national wealth.⁷ The 2013 GDP rebasing shows that the Nigerian economy is changing but not rapidly enough for the creation of an industrial manufacturing base. In 2010, agriculture made up 30% of the economy whilst industry, services and oil and gas were 46%, 23.58% and 42.68% respectively. Manufacturing was 1.89% only. In 2013, the share of agriculture and industry had fallen to 21.97% and 25.64% respectively. The share of oil and gas fell to 14.40% while services and manufacturing rose to 51.89% and 6.83% respectively. Though this is indicative of a positive change in the structure towards manufacturing and the service sector, the contribution of manufacturing to GDP is still abysmally low. *Business Day*, a business publication, reviewed the economies of Mexico, Indonesia, Nigeria and Turkey (MINT), which was originally coined by Fidelity

⁷ Nigeria Industrial Revolution Plan of the Federal Government of Nigeria (January 2014)

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Investments, a Boston-based asset management company, and was recently popularised by Jim O'Neill, the retiring Goldman Sachs Chairman, who had earlier evolved the term BRICS – comprising Brazil, Russia, India, China and South Africa. O'Neill believes these five economies (MINT) have quality demographics that will be favourable for at least the next 20 years, while their economic prospects remain interesting. Their economies have a large number of young people and sophisticated middle-class, as well as high Gross Domestic Product (GDP). In spite of this classification, Business Day's Real Sector Watch's research has shown that Nigeria's manufacturing sector remains the weakest among these economies, despite measuring \$34.7 billion in the recently rebased \$510 billion GDP. The manufacturing sector in the four MINT countries is discussed below with related data set out in Table 6.1.

Nigeria: Nigeria is the largest economy in Africa and 26th in the world. Its GDP, recently recalculated by the National Bureau of Statistics (NBS), is \$510 billion. Nigeria's manufacturing sector is the third-largest on the continent, and produces a large proportion of goods and services for the West African region. But the GDP contribution of the sector is just 6.81% despite the rebasing, while capacity utilisation hovers between 46% and 55%, as shown by recent data. Export commodities include petroleum and petroleum products, which the World Bank put at 95% (2012 estimates), cocoa, rubber, processed foods, cement, and entertainment, among others. Export earnings by the end of 2012 were estimated at \$97.46 billion. This means that in spite of much ado about oil, Nigeria still lags behind its peers in terms of revenue earnings. Realising that 95% of the earnings come from oil, in the view of analysts, is further saddening. The Nigerian Export Promotion Council's (NEPC) non-oil exports data for 2013, revealed that the total non-oil export earnings by the end of the year was \$2.97 billion, with export products, varying from tobacco products, cotton yarn, woven fabrics, copper, cashew nuts, fish and shrimps, among others.

Mexico: Mexico's nominal GDP, using 2013 estimate, is \$1.231 trillion. World Bank's 2011 estimate put the manufacturing sector's contribution to GDP in the country at 18.24%. Capacity utilisation for the sector by January 2014 was 79.3%, while export commodities majorly include automobiles, electronics, television sets, computers, mobile phones, LCD displays, cotton, silver, fruits, vegetables, coffee, oil and oil products. By the end of 2012, total earnings from exports were \$370.9 billion, much of which was realised from non-oil commodities. Mexico ranks 53 out of 187 in the World Bank Doing Business ranking, implying that the country is better off than 134 countries ranked.

Indonesia: Indonesia has the largest economy in Southeast Asia, with a GDP of \$894.9 billion (2012 estimates). GDP contribution of its manufacturing sector is 24%,

according to the World Bank 2012 estimates. Capacity utilisation by January was 75.54%, while export commodities, include cement, food, electrical appliances, plywood, textiles, rubber, oil and gas. Export earnings by the end of 2012 was \$199.1 billion, while its 2014 Ease of Doing Business ranking is 120.

Turkey: The International Monetary Fund (IMF) classifies Turkey as an emerging market economy. Its economic size is \$820.827 billion (2013 estimates), while the contribution of its manufacturing sector to GDP is 18%, according to World Bank 2012 estimates. Capacity utilisation of the sector is 73.1% (January 2014) and it is 69 in the 2014 World Bank Doing Business ranking. Export commodities by end of 2013 were foodstuffs, textiles and metal manufactures, among others, while total earnings from them were \$167.60 billion. Though, the classification reveals the promising potentials of the Nigerian economy, it is obvious that the manufacturing sector, an essential part of the real sector, still lags behind those of its peers.

More efforts should be put in place to revive the wobbling or moribund sub-sectors such as the textiles, salt, automobiles, motor and motor parts, furniture, cosmetics, ceramics, toiletries and solid minerals, which serve as raw materials, among others.

The 10% GDP target of the Federal Government by 2019 is still infinitesimal. More efforts should be put in to revive the wobbling or moribund sub-sectors such as the textiles, salt, automobiles, motor and motor parts, furniture, cosmetics, ceramics, toiletries and solid minerals, which serve as raw materials, among others.⁸ "Our economy is the least diversified among these economies. The fact is that in the event of a collapse of the oil market, Nigeria will be severely affected. We need to increase the productivity of our economy," Muda Yusuf, Director-General, Lagos Chamber of Commerce and Industry (LCCI), in an interview, told Business Day. Kola Jamodu, President, Manufacturers Association of Nigeria (MAN), recently noted that development in the West African region had made it imperative to industrialise Nigeria, since the manufacturing sector had the capacity to create wealth and employment, stressing the need for the government to retain sectoral waivers and ensure that the results of the power sector reforms were made effective.

⁸ <http://businessdayonline.com/2014/04/nigerian-manufacturing-sector-weakest-among-mint-countries/#.U190Olf4KSo>

Table 6.1: Showing the state of manufacturing sector and exports in MINT countries

Country	Manufacturing contribution to GDP	Capacity utilisation	Export products	Export earnings	2014 Ease of Doing Biz ranking (189 countries)
Mexico	18.24%	79.3%	Automobile, electronics, computers, mobile phones, LED displays, cotton, fruits & vegetables, oil	\$370bn (2012)	53
Indonesia	24%	75.54%	Cement, food, electrical appliances, textiles, oil & gas etc.	\$199.1bn (2012)	120
Nigeria	6.8%	43% - 55%	Cocoa, rubber, aluminium, sesame, petroleum etc.	\$97.46bn (2012 - oil earnings were 95%; others 5%) 2013 non-oil earnings = \$2.7bn	147
Turkey	18%	73.1%	Apparel, food stuffs, textiles, mental manufactures	\$167.60bn (2013)	69

Source: *Business Day Research, World Bank, NBS, NEPC*

One of the earliest and most central insights of literature on economic development is that development entails a major structural change. The countries that manage to pull out of poverty and get richer are those that are able to diversify from agriculture and traditional products.

The countries that manage to pull out of poverty and get richer are those that are able to diversify from agriculture and traditional products. As labour and other resources move from agriculture into modern economic activities, overall productivity rises and incomes expand.

As labour and other resources move from agriculture into modern economic activities, overall productivity rises and incomes expand. The speed with which this structural transformation takes place is the key factor that differentiates successful countries from unsuccessful ones. Developing economies are characterised by large productivity gaps between different parts of the economy. Dual economy models have typically emphasised productivity differentials between broad sectors of the economy, such as the traditional (rural) and modern (urban) sectors. More recent research has identified significant differentials within modern manufacturing activities as well.

Large productivity gaps can exist even among firms and plants within the same industry. Whether between plants or across sectors, these gaps tend to be much larger in developing countries than in advanced economies. They are indicative of the allocative inefficiencies that reduce overall labour productivity. The

upside of these allocative inefficiencies is that they can potentially be an important engine of growth. When labour and other resources move from less productive to more productive activities, the economy grows even if there is no productivity growth within sectors. This kind of growth-enhancing structural change can be an important contributor to overall economic growth. High-growth countries are typically those that have experienced substantial growth-enhancing structural change. The bulk of the difference between Asia's recent growth, on the one hand, and Latin America's and Africa's, on the other, can be explained by the variation in the contribution of structural change to overall labour productivity.⁹

Scapegoat economics

Nigeria's post-independence economic development and industrialisation efforts have been characterised by the hollowness of its politics. The political class majorly lacked an ideological base on which to formulate economic policies whilst the military regimes, ruling by fiat, did not have the zeal of the collective good beyond protecting the interests of their pockets and special interest groups that they represented at the particular time of their intervention. This meant that the country never had a clear-cut philosophical and ideological base to propound sound economic policies.

As the politics got murkier, the economic objectives and methods became incoherent and misdirected. Measured against the backdrop of Prof Okwudiba Nnoli's postulations that "a progressive government that is dedicated to uplifting the people economically, socially and politically is usually characterised by its programme and the natural logic that any serious effort geared towards development of a country must not only have a strong and viable economic programme, but must also contain a detailed doctrine, concerning the division of wealth and associated social relations",¹⁰ it becomes very clear that most governments devoid of ideological foundations could not have delivered the necessary economic benefits that would have changed the fortunes of the nations. Predictably, most Nigerian governments have been lacking in this regard. The manifestoes of most political parties or military economic roadmaps have always been sketchy, tardy and too casual for serious political and social engineering. They have inherently been pitching on rhetorics and slogans which invariably lack substance and their methodologies are majorly flawed in the articulation of ways and means of achieving the lofty heights they postulate. Consequently, economic management degenerated to a trial and error affair.

The manifestoes of most political parties or military economic roadmaps have always been sketchy, tardy and too casual for serious political and social engineering.

9 Margaret S. McMillan, Dani Rodrik, (2011). Globalization, Structural Change And Productivity Growth National Bureau Of Economic Research -

10 Okwudiba Nnoli. (1995). Ethnicity and Development in Nigeria. Avery

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The problems of the economy were either tackled on an ad-hoc basis or without due consideration of the possible end results of chosen or adopted policy options and these resulted in the often glaring incidences of lapses in policy decisions and implementations.

For example, the development plans were replete with slogans and high-sounding rhetoric on the creation of an ideal society and the attainment of better economic heights, but were generally deficient in strategic planning and the enunciation of concrete formats for the attainment of the stated goals. The second National Development Plan (1970-75), for instance, worried about the need to create 'a just and egalitarian society'. It talked about reducing inequalities in inter-personal incomes and promoting balanced development among the various communities in Nigeria together with achieving full employment for all, of non-inflationary growth, etc., but did not articulate the mechanism, modality or methodology it was going to apply to realise these lofty objectives. The fourth plan (1980-85), in apparent recognition of some of the failures and severe indications of unbalanced growth, resulting from the earlier plans, placed emphasis on the need to promote and employ "functional technology in our industrialisation programme". It also harped on the need to modernise and achieve self-sufficiency in agriculture. It, however, did not define what it meant by 'functional technology' or how it hoped to encourage its introduction. Nor was there any semblance of convincing concrete methodology that would have brought about the much touted self-sufficiency in agricultural production, although empty slogans such as 'Operation Feed the Nation (OFN)', 'Green Revolution', 'Operation Back to Land', etc. were jokingly employed. With these glaring deficiencies in conceptual planning, it is little wonder then, that most of the national plans did not achieve much in realistic economic growth, industrialisation, economic independence and development.

According to Uchenna Nwankwo, the symptoms of weak philosophical and ideological convictions and commitment on the part of the leadership manifest everywhere in Nigeria. Faced with the attractions, advantages and contradictions of both western capitalist and eastern socialist-cum-communist systems, as models for social and economic development, our leaders found themselves in a dilemma of what developmental model to apply to the Nigerian environment. They could neither adopt any of the existing models nor evolve a worthwhile alternative of their own. Hence, they resorted to the unwholesome application of an admixture of traits or strands of policy options from the two opposing systems in the vain hope of achieving or securing the best socio-economic advantages. Whatever component of either ideologies that appeared to promise some kind of relief, however, temporary, for any particular and immediate economic problem were adopted, even if these strands of policies conflict and contradict other subsisting or existing policy pronouncements. This resulted in rapid introduction and rejection of a wide range of policies in a frantic bid to decipher the right socio-economic elixir. Thus, they ran from pillar to post, swinging from 'leftist to rightist managerial prescriptions' and in the

end create the so-called “mixed-economy” which is just a fancy name for a hotchpotch pseudo-ideology, representing a combination of both the eastern and western ways. With time, the inadequacy of the system (or lack of system) began to manifest on the national, social, economic and political scale.¹¹

The above assertion is readily discernible from an analytical study of most enabling laws enacted by the various administrations since the country attained self-government status. On the eve of Independence in 1960, the famous Industrial Development Income Tax Relief Act was enacted. This was to back-up the Federal Government’s tax holiday policy which sought to exempt certain categories of industries from the payment of custom duties on imported materials and income taxes for stipulated periods immediately following commencement of operations. A huge tax rebate for fixed capital asset was also put in place ostensibly to encourage investment in the manufacturing sector. Furthermore, a wall of tariff restrictions against finished foreign goods was erected to protect the growing local manufacturers from international competition.

Industrialisation is not merely the isolated installation of foreign-designed and foreign fabricated machinery in an alien environment, but an integrated process that involves the ability of a nation to generate its own manufacturing process

All these were to become part and parcel of the governments overall import substitution strategy, which aimed at wholesale importation and installation of manufacturing plants and processes from the advanced countries for the production of local labels of those finished foreign goods which Nigerians import. While this was not an entirely bad strategy, given the then existing constraints (especially, in lack of capital and indigenous technological know-how), there were serious issues with the strategy. Firstly, it is difficult to agree with the long length of time these mix of policies were allowed to remain in place for, even as the evolving scenario indicated a gradual but steady implantation of a crushing dependency syndrome on the national psyche.

Also, these policies overlooked the fact that industrialisation is not merely the isolated installation of foreign-designed and foreign fabricated machinery in an alien environment, but an integrated process that involves the ability of a nation to generate its own manufacturing process by a systematic incorporation of local, as well as foreign ideas in the adaptation, fabrication and the intervention of technologies and appropriate organisational formats for the processing of local and foreign raw materials into value added products in a market competitive environment. Secondly, the reliefs and incentives granted to the pioneer industrialists were excessive such that by 1968, the World Bank estimated

11 Uchenna Nwankwo. (1992). Economic Agenda for Nigeria. Centrist Productions Limited.

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that the effective tariff protection rates granted were over 200% in many instances. The over protection, as it were, bled the economy astronomically. It also gave the investors a false sense of security which made them too relaxed, insulated from business and investment risks. Above all, it did not endear them to research and development, which could have led to either backward integration, or the application of better and cheaper techniques that could propel competitiveness in the local or foreign markets. At a point, these companies imported finished goods or semi-finished goods to camouflage the inefficiencies of their plants.

Ultimately, this sustained a dubious culture of insatiable appetite for imported goods and industrial raw materials, which has stuck with Nigeria till today - a vogue that no government has been able to wean the populace from. Similarly, the industrialists gradually lost the ability to produce goods that are competitive in the international market - a disastrous outcome, which was extensively discussed in the last chapter. Thirdly, the high tax rebates worked against the investment in labour-intensive facilities and equipment, thereby alienating the labour class from a fair share in the available industrial returns, thus guaranteeing a large capital accumulation for the few negligible percentage of industrialists that controlled the means of production and exchange, a situation compounded by sharp practices of the beneficiaries of these reliefs and tax holidays. This again laid the foundation for the huge unemployment and income inequality that is still experienced till date, and has grown worse by the passing of each day, compounding the economic challenges, facing the nation. Thus, the masses were not only marginalised by being fenced out of the economic opportunities of that time but also deprived the government of tax income to cater for the deprivations of the people.

The government's reaction to this retrogressive, corruptive and socially divisive policy is in itself amazing. In the confusion that followed the failure of this industrial policy cornerstone, the government, in thinking that the inequality generated was a capitalist outcome, went in search of a socialist antidote, which brought forth a number of reckless legislations ostensibly aimed at the redistribution of income in favour of the poor. The first of these measures was the rent Decree of 1966, followed by the 1970/1971 Price Control Decree in a bid to make goods and services available to the 'marginalised masses' that were being suffocated by harsh economic realities. Even with the Rent Control tribunals, the Decree failed to make affordable housing available to the poor but succeeded in generating bad blood between the landlords and tenants and had to be repealed in 1971.

The 1971 Decree established the Price Control Board, which was later upgraded to the Prices, Productivity and Incomes Board (PPIB) in 1977. The officials of these Boards were usually corrupt and heavy-handed. The system proved ineffective, expensive to police, and it tied down scarce resources that could have been better utilised elsewhere. It

encouraged black market activities, aided smuggling of controlled commodities, created distortions in the economy that led to misallocation of resources and above all, a huge disincentive to investment. Rather than reduce inequality, it widened them by creating super profits for smugglers and black market operators whilst government lost billions in custom duties by the calculation of duties at the low controlled prices. Middlemen and distributors that operated the black market with little or no invested capital or risk at all, made more profit than manufacturers, who had invested substantial sum in their plant and machinery and took all the risk. Consequently, it became clear that in an attempt to redress the inequalities caused by high tax reliefs and tax holiday, no progress was made, as the medicine was worse than the disease and was gradually killing the patient. Yet, sanity did not prevail and the pendulum once again swung hopelessly wild, this time with the establishment of supply monopolies - Nigeria National Supply Company (NNSC) and Nigeria National Freight Company (NNFC) in 1977.

With the failure of the Price Control Decree, government suspicion shifted to importers, who now became the new saboteurs and whose activities needed to be curbed for progress to be made. The NNSC was empowered to import and distribute all forms of "essential" commodities nationwide. It was also to serve as a distributor of locally produced commodities, especially for government owned companies. This placed a ban on private enterprises in the distributive sector and acted as a wholesale nationalisation of this vital economic medium to further enhance price controls. The policy failed woefully as the NNSC and the NNFC were soon riddled with corruption, black markets, delays and gargantuan inefficiencies. These companies and the policy they represented failed to reduce inequality. It made few civil servants, well-connected individuals and again, the ubiquitous businessmen very rich.

Government's failed economic and industrial policies received scepticism in the international community, while there was total disillusionment at home with these policies, being derided with wide cynicism. In an embarrassed and face-saving mode, the Federal Government made all sorts of excuses for its failure, blaming others to save themselves, who were the architects of the disastrous policies. Government, yet again turned to another scape goat in the foreign investors and their "local collaborators." This class of investors that the government had put in so much effort to cultivate, attract, encourage to ensure the much needed prosperity, were now branded the new neo-colonialists, economic saboteurs, thieves and at worst devils. With an inflow of petrodollars to provide a steady flow of capital for local financing of domestic projects and the importation of goods and services, government made haste to chase out the new-found economic devils, who were enemies of progress. Government moved swiftly to curtail the activities and the degree of participation of foreigners in the nation's economy and the Indigenisation Decree a.k.a Nigerian Enterprises Promotion Decree 1972, was ushered in. The Decree

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was amended in 1973, 1974, and 1977. The objective of the Decree was the promotion of indigenous ownership of industrial investments and more effective participation by Nigerians in the economic development of the country. A board – the Nigerian Enterprises Promotion Board (NEPB) – was given the power “to advance and develop the promotion of enterprises in which citizens of Nigeria shall participate fully and play a dominant role.” The 1977 Decree sub-divided industries into three categories with each schedule, comprising an assortment of economic activities with relative importance and complexity both in terms of capital outlay and the degree of technical expertise required in their operation as follows:

First schedule comprised of the least sophisticated economic activities which were reserved for Nigerians.

Second schedule covered categories of more capital intensive nature which required 60% shares to be held by Nigerian citizens. It also required Nigerians to participate more in the management of the enterprise.

Third schedule comprising most complicated activities or enterprises, allowed 40% Nigerian participation and 60% foreign participation.

All in all, government sought to give total or greater control to Nigerians in those enterprises that required little capital base and technical know-how, whilst heavy and capital intensive industries were open to greater investment and participation by non - Nigerians. The most inhuman aspect of the Decree was the stoppage and forceful squeezing out of operators, who fell out of some of its areas of categorisations. Such foreign operators were forced to sell their enterprise or reduce their investment to align with the stipulated equity at prices well below their value. The Decree was received with mixed feeling. Whilst some hailed it as a nationalistic step that will see Nigerians assume economic heights in their own country, others saw it as a cowardly exhibition and an inferiority complex that will not empower Nigerians to learn to compete and grow organically in a highly competitive world. Thirteen years after, (in 1985), most Nigerians came to realise that the Decree was an unmitigated disaster as it only benefitted a few Nigerian individuals and families, who succeeded in buying up the businesses that were vacated by foreigners. One of the obvious impacts of indigenisation is the capital flight it created together with loss of investor confidence and the suspension of normal trade credits from some of Nigerian's trading partners. The President of the Nigerian Chamber of Commerce, Mines, Industry and Agriculture (NACCIMA) at the time, Chief J. Akin George, put it succinctly when he said, “In 1973, just one year after the first indigenisation programme took off, foreign capital (into Nigeria) dropped off by 38%. From ₦297.8 million in 1972, it dropped to ₦186.5 million in 1973. One year after the second phase of the scheme was

set in motion in 1977, net foreign investment was further down by as much as 45%¹². Nevertheless, the control that the curtailment of economic freedom wanted to bestow on Nigerians through the back door never materialised, as the foreigners were still able to use their block vote to veto corporate direction and strategy. The consequence of this was that while the Decree left foreigners indirectly in full control, it reduced their portfolio risk exposure to Nigeria through their drastically reduced equity, which, all in all, was a win for them and a drastic loss to Nigeria. Again, the Indigenisation Decree created a few Nigerian capitalists and business tycoons at the expense of the suffering masses that lost out in the fouled economic environment that turned out to be a massive discouragement of investment, economic expansion and growth. The masses, who had no savings and had no access to institutional lenders to support their shares acquisition lost out. According to Mr. Anthony Asuquo Ani, "15% of all the companies indigenised were bought by not more than eight families.

"As the war had just ended and with the people from the eastern part of Nigeria without savings or clout to borrow, they were indirectly screened out of the share purchase bonanza which further alienated the people of the geographical zone"¹³. It has also been postulated that the people of the North did not effectively participate in the scheme for several reasons, including the little awareness at the time regarding the niceties of modern finance and the benefits derivable from ownership of stocks and shares. It thus give rise to claims that the indigenisation programme was carried out by the South West Region to gain quick economic advantage over the other sections of the country. Be that as it may, it cannot be denied the programme significantly contributed to the lopsided regional and class distribution of wealth in Nigeria.

There was still more to come regarding economic controls and the destruction of Adams Smith's "invisible hand" that encourages economic activity through the freely determined market prices thus helping to efficiently allocate resources. The government enacted the Commodity Boards Decree of 1977, ostensibly to support and stabilise prices of important commodities. Seven commodity boards were created by the Decree. These included: Nigeria Cocoa Board, Nigerian Groundnut Board, Nigerian Cotton Board, Nigeria Palm Produce Board, Nigeria Rubber Board, Nigeria Grains Board and Nigeria Tuber and Root Crops Board. The boards were directed to (a) secure the

The size of government ballooned with the oversized civil service that it heralded which has proved impossible to reduce till date. All these came with the crippling effect of a big government which the country has still been unable or unwilling to get rid of.

12 Newswatch, 1 December, 1986

13 Newswatch, 5 October, 1987

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most favourable terms for the purchase of the relevant commodity and subsequent sale thereof to meet domestic requirements and the evacuation to a port of export of any surplus to such requirements intended for export (b) to purchase all relevant commodities which are offered for sale to the Board which conform with the grades and standard of quality prescribed by the Board (c) to promote the development and rehabilitation of the producing areas generally and to ensure that the adequate supply of improved seedlings and fertilisers and other inputs are made available to promote the benefit and prosperity of the producers. The boards were given exclusive responsibility to handle any of the agricultural commodities meant for export trade. With these agencies, economic regulation and the interference with freedom in the market place were in full force.

The size of government ballooned with the oversized civil service that it heralded which has proved impossible to reduce till date. All these came with the crippling effect of a big government which the country has still been unable or unwilling to get rid of, with the consequent bloated recurrent expenditure which leaves little or nothing for capital expenditure and economic development. The purpose of setting up the boards was to protect the small farmers from exploitation of the yet, ubiquitous profiteering middlemen, and to help boost agricultural production. However, as has been seen in the discussion of economic freedom and competitiveness, none of these goals can be achieved by the curtailment of the decision of the market place.

Consequently, by 1985, eight years after they were set up, it was clear that they had failed, as all they succeeded in doing was to stifle agricultural growth and encourage cross boarder smuggling. The application of heavy handed administrative and bureaucratic controls, imposition of low artificial prices, and the general dereliction of duties that is characteristic of the civil service all managed only to frustrate and scare farmers away from agricultural production, thus devastating the agricultural sector, a blow from which the sector is yet to recover. Instead of government to unshackle the farmers chained by excessive regulations, it resorted to propaganda agriculture programmes like "Operation Feed the Nation" or "Green Revolution" with millions of Naira channelled into wasteful government owned farms and River Basin Development Authorities- created in 1979 with the strategic focus of undertaking mechanised clearing and cultivation of land for the production of crops, livestock and forestry inside and outside irrigation projects. These agencies spent millions in the importation of heavy duty caterpillars and other sophisticated machinery and implements that were never used. All these constituted a further drain on the nation's resources and deeply retrogressed the agricultural sector.

Two more draconian control institutions were set up by the government. The National Fertiliser Board was set up in 1977 to (a) undertake the bulk purchase and distribution of fertilisers to state governments at subsidised prices to be determined from time to time by

the Federal Government (b) to transfer the fertilisers to a central warehouse in the state (c) to fix retail prices between the state governments and end users under guidance of the Federal Executive Council (d) to carry out incidentals that are expedient in the discharge of their functions. The Fertilisation Board was to assist to revolutionise agriculture through the provision of cheap fertiliser. The Board however was riddled with corruption, fraud, all kinds of swindling schemes and inefficiency with indiscriminate and irrationalised importation. The Fertiliser Board also failed woefully. The second institution was the Land Use Allocation Committee that was set up under the Land Use Decree, 1978.

Messing up with a key factor of production

The Land Use Decree, 1978, was yet another attempt, not at scapegoats this time but at the pursuit of an egalitarian society. As it was explained, the Decree was designed to ensure "the right of Nigerians to use and enjoy land in Nigeria and the natural fruits thereof in sufficient quantity." According to the decree, "all land comprised in the territory of each state in the Federation are hereby vested in the Military Governor of that State and such land shall be held in trust and administered for the use and common benefit of all Nigerians." The decree stipulated that "there shall be established in each state, a body to be known as 'the Land Use and Allocation Committee' which shall have the responsibility of advising the Military Governor on any matter connected with management of land... on resettlement of persons affected by revocation of rights of occupancy on the ground of overriding public interest... and determining disputes as to the amount of compensation payable for improvement on land." The decree also made it lawful for the Military Governor to grant a statutory right of occupancy or consent to the assignment or subletting of a statutory right of occupancy to a person. In short, the decree virtually nationalised land in Nigeria.

The Land Use Decree, now Land Use Act (No. 6), came into effect on April 1, 1978 and immediately generated widespread attention, concern and controversy across the country. To date, it remains a subject for political and academic debate and disputation. In the words of the late Supreme Court Justice Augustine Nnamani, who was the nation's Attorney-General at the time, since the decree was formulated, "no legislation promulgated in this country has elicited so much controversy, so much criticism, so much divergence in the interpretation of its provisions, and so much discourse in academic and business or finance circles as the Land Use Act."¹⁴ The main provision of this decree reads thus: "Subject to the provisions of this Decree, all land comprised in the territory of each state in the federation are hereby vested in the Military Governor of that state and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provisions of this Decree". Given the controversy that this Decree

14 Uchenna Nwankwo. (1992). Economic Agenda for Nigeria. Centrist Productions Limited.

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(now Act) continues to generate and the fact that it has serious impact on the lives of the people for good or bad, it is considered important to discuss the main elements of the decree. The other key provisions are as follows:

- a. Section 2, which deals with the control and management of land by the Military Governor and the Land Use and Allocation Committees;
- b. Section 5, which gives the Military Governor power to grant statutory rights of occupancy and;
- c. Section 6, which gives similar power to Local Governments in respect of customary rights of occupancy over land not in urban areas of a state;
- d. Section 10, deals with payment of rent (to) the Military Governor;
- e. Section 22, which makes it unlawful for a holder of a statutory right of occupancy to alienate his interest without the prior consent of the Military Governor;
- f. Section 28 which makes void a deed which violates this decree
- g. Section 22 empowers the Military Governor to revoke a right of occupancy for over-riding public interest;
- h. Section 29(4) which deals with compensation payable on land in the event of a revocation of the right of occupancy;
- i. Section 31 which makes the Public Lands Acquisition (Miscellaneous Provisions) Decree 1976 inapplicable to land compulsorily acquired under the Act;
- j. Section 34(2) which deals with the deemed grant of statutory right of occupancy in respect of holders of developed land before the commencement of the Act;
- k. Section 34(4) which preserves such encumbrances on land under section 34(2) as mortgages, legal or equitable, etc. as were there before the Act took off.
- l. Section 36(2) which is similar to section 34(2) but deals with land in Local Government areas of a state;
- m. Section 40 which empowers courts to grant only an order of statutory right of occupancy in respect of pending proceedings in the courts over title to land and
- n. Section 49 which preserves the title of the Federal government or any of its agencies to land whether developed or underdeveloped held in a state at the commencement of the Act.

According to the government, the main aims of the Act are as follows:

1. To curb the excesses of land speculators. The government was, therefore, concerned firstly with protecting the poor 'unaware' Nigerians from exploitation and alienation from their lands, and secondly, with checking the rising cost of land;
2. To eliminate the difficulty which hitherto surrounded Government's land acquisition drives, especially in the southern states;
3. The Federal government was inclined to thinking that "the excessive value of land led to internecine and protracted land dispute between communities, often ending

in land litigations in the law courts.” It therefore sought through the Act to curtail the sometimes bitter and unending litigations in land transactions in the country. In the words of the former Chief of Staff Supreme Headquarters, late Major-General Shehu Yar-Adua, “the Federal Military Government is fully aware of the land racketeering, the pernicious role of middlemen in land speculation and in the sometimes bitter and unending litigations in land transactions in the country.”

4. The government also wanted a uniform land policy for the country, a formula that would harmonise the two land tenure systems in the country.

It was in response to the above that the federal government in 1977 set up a land use panel under the chairmanship of the late Hon. Justice Idigbe, a Justice of the Supreme Court, with specific terms of reference which incorporated the above sentiments.

It is remarkable that the Panel in its main report, recommended that lands in Nigeria should not be nationalised. It also recommended that the Land Tenure Law of 1962 in the northern states (an amendment of the earlier 1916 Ordinance) should not be extended to the rest of the country. Unfortunately, this recommendation was rejected by the Federal Military Government. Although it did not wholly accept the minority recommendation that land in the country be nationalised, the ensuing Land Use Act promulgated in 1978 introduced far-reaching revolutionary changes that were intended to drastically alter the pattern of ownership, control and management of land in the southern part of the country. As a piece of legislation at the national level, its provisions practically amounted to a nationalisation of all land in the country. This opinion is supported by the views expressed by the Hon. Justice Kayode Eso, a Justice of the Supreme Court (J.S.C), who opined that the “tenor of the Act as a single piece of legislation is the nationalisation of all land in the country and vesting of its ownership in the state, leaving the private individual with an interest in land which is a mere right of occupancy.”

The position today is that land is less available to the ordinary Nigerian than it was pre-the-Land-Use-Act, thus holding most of the citizens to the unenviable state of perpetual tenants.

On his part, Hon. Justice Obaseki, another Justice of the Supreme Court, puts it this way: “It is an understatement to say that this Decree or Act abrogated the right of ownership of land hitherto enjoyed by all Nigerians. Whereas a Nigerian could own land absolutely anywhere in the southern states of Nigeria, this (Decree) took away from him that right of ownership, limited the area of land he can acquire for his residence and farming and limited the interest he can acquire to a mere right of occupancy either statutory or customary and worse still, made him perpetually liable to pay rent for occupying his own land and the land of his forefathers.” In his own contribution, the late Hon. Justice Nnamani,

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J.S.C., averred that the "provisions of the Act which gave the governor powers of control and management of the land, and, which involve the issue of certificate of occupancy; provisions of consent of the governor before dealing in land, as well as such provisions, which even limit the amount of underdeveloped land each individual can hold, are indeed far-reaching. Indeed, to vest all land in the state on the governor, gives him powers of control and management of same, concede to individuals or groups nothing more than a certificate of occupancy, which could be subject to such conditions as rent or revocation, and insist on all dealings in land, being subject to his consent is to give to the governor almost all the incidents of ownership or at the very least, radical title."¹⁵ How has the Act performed? The late Hon. Justice Nnamani was forthcoming with an answer to this. In a treatise he delivered at a dinner of the Nigerian Bar Association, Ikeja Branch, in Lagos on March 3rd, 1989, His Lordship categorically stated as follows: "...one must concede that all is not well with the Land Use Act.

"In the course of these 11 years, it has become clear that due to its implementation, not its structure or intendment, the objectives for which the Land Use Act was promulgated have largely remained unfulfilled; indeed they have been distorted, abused, and seriously undermined. The lofty hope in the second stanza of the preamble ... that the rights of all Nigerians to use and enjoy Land in Nigeria and the natural fruits thereof in sufficient quantity to enable them provide for the sustenance of themselves and their families be assured, protected and preserved – or in Section 1 – that all land be held in trust and administered for the use and common benefit of all Nigerians – has been nothing but a forlorn hope, a pipe dream... The position today is that land is less available to the ordinary Nigerian than it was pre-the-Land-Use-Act, thus holding most of the citizens to the unenviable state of perpetual tenants. The land use Allocation Committees, which are supposed to make recommendations on these matters, are no more than appendages of the governors and merely endorse lists approved by them ... The result as was to be expected were allocation of land mostly to friends, relatives (of the governors) and party faithfuls. Land has indeed become an item of patronage! Allocation of land was hardly ever made to the low income earners. No government has yet ear-marked a percentage of land available for allocation to this category of Nigerians as a deliberate policy, nor has there been allocation of a percentage of land available for allocation to the community or family that previously owned the land now acquired by government".

The combination of factors arising from the zeal attending the generation of internal revenue by state governments has put land far beyond the reach of the ordinary Nigerian. The ground rent charged for allocated land is indeed beyond the affordability of most Nigerians, except perhaps the commission agents and a few affluent citizens. Implementation

15 Uchenna Nwankwo. (1992) Economic Agenda for Nigeria Centrist Productions Limited

of the Act regarding the provisions relating to issue of certificate of occupancy and grant of consent to alienate, continue to cause untold hardship and difficulties to Nigerians. Both can take years, and the applicant is subjected to the vagaries of bureaucratic action with demands for survey plans, interminable fees, documents etc. These cumbersome procedures have constituted a restriction on economic freedom, have acted to discourage new business and investment in business as well as increase the cost of doing business regarding the application of this important factor of production. In all, this has adversely affected economic and business activities and limited industrial growth. Reacting to the hardships imposed by the consent provisions of section 22 of the Act, Obaseki, JSC in the case of Savannah Bank Ltd. vs. Ajilo (which is similar to the Appeal Court cases of Obikoya Vs Governor of Lagos State and LSDPC vs Foreign Finance Corporation) observed: "In my view and I agree with Chief William's expression of anxiety over the implementation or consequences of the implementation of the consent clauses in the (Land Use) decree, it is bound to have a suffocating effect on the commercial life of the land and house owning class of society who use their properties to raise loans and advances from banks. I have no doubt that it will take the whole working hours of a state Military Governor to sign consent papers without going half way if these clauses are to be implemented..." Other areas of the Act in respect of which there have been genuine complaints include the provisions relating to payment of compensation for underdeveloped land acquired. Although Section 33 of the Act gives the governor the discretion to provide alternative accommodation where the revoked land is one on which a building has been erected, this discretion is hardly ever exercised, thus throwing people into untold hardship. Furthermore, with the repeal of the Public Lands Acquisition (Miscellaneous Provisions) Decree 1976, no compensation is now payable for underdeveloped land unless of course there are crops. The rates of compensation stated in section 29 (2) (3) and (4) of the Act are actually related to revoked rights of occupancy and cover improvements on the land. Nothing appears payable for vacant underdeveloped land.

Since the enactment of the 1978 Land Use Act, no changes have been made on it. Concerted efforts have been made by past and present National Assembly members to review the Act but all to no avail. However, the House of Assembly of some states, working on the basis of the administrative powers given to the Governors under the Act as trustees, have enacted Laws to safeguard the leasehold embedded in Section 1 of the Land Use Act. Example of such states is Lagos, which in 2004, enacted the Registration of Titles Law Cap R4. This law states that in Lagos State, Land Titles registered in the Register of Title are prima facie (proof or evidence) of title for any purchaser dealing with the land to rely on and determine if the vendor has title to sell the property whether or not there are encumbrances attached to the land. Jurists argue that the Registration of Title Law of Lagos State is to a large extent at variance with the Land Use Act 1978 and therefore inconsistent with the provisions of the 1999 Constitution.

Hammer for good or evil?

General Babangida came to power in August, 1985. This was after all manner of efforts (from barter trade to essential commodity rationing, import licencing etc.) which had been applied to stabilise the economy, were not working. It was clear that a massive tide of economic crisis was facing Nigeria and it would be calamitous if nothing was done speedily to avert the coming storm. Continuing with the mix of policy measures pursued by the past administrations was simply out of the question. Concerned citizens and economists individually and collectively proffered their respective solutions which culminated in a government-sanctioned national debate with numerous conflicting viewpoints from diverse interest groups and schools of thought. Suggestions ranged from calls for a total socialist reconstruction of the economy to that of unbridled capitalism. Government obviously, in the final analysis, had the responsibility to sift through these multifarious views and adopt the right economic policy that would get the economy out of the woods.

In the month of June, 1986, 10 months after its ascendancy to power, the Babangida administration finally came out with an economic programme, which according to government, was designed to meet the yearnings of Nigerians, address the challenges of the Nigerian economy, and begin to create the structures for its future economic growth and sustenance of the country. Characteristically, the policy was christened Structural Adjustment Programme (SAP).

The main policy thrust of SAP, according to government, was to:

- a. restructure and diversify the productive base of the economy in order to reduce over-dependence on imports and the oil sector;
- b. achieve fiscal balance of payment viability over the period the programme was expected to last;
- c. lay the basis for a sustainable non-inflationary or minimal inflationary growth, and;
- d. reduce the dominance of unproductive investments in the public sector's efficiency and enhance the growth potential of the private sector.

To achieve these broad objectives, the government under SAP introduced a number of policy measures for implementation. The major elements of the policies are discussed below:

Introduction of a Foreign Exchange Market (FEM): This was generally regarded as the centre piece or cornerstone of the government's Structural Adjustment Programme resulting from the over-riding role, which a properly aligned exchange rate, was capable of effecting on the economy. The Foreign Exchange Market (FEM) was the culmination of a policy thrust that began with the Second-tier Foreign Exchange Market Decree, SFEM,

for trading in foreign currencies and other foreign exchange instruments. Essentially, the market was structured, according to the decree, to feature (a) weekly biddings and price fixing sessions between authorised dealers appointed under the decree, on the one hand and the Central Bank of Nigeria on the other; (b) dealings between the authorised dealers; and dealings between the public and the authorised dealers. In making this decree, government distinguished and provided for a First-tier Foreign Exchange Market, whose operation was not to be linked to the Second tier Market. The official first-tier market transactions referred to (a) any transactions covered by a specific import licence issued in 1985 or 1986 for which a confirmed and irrevocable letter of credit was established on or before the last day immediately preceding the commencement of the Decree; (b) capital transfers, profits, dividends and other visible payments for which approval has been granted by the Federal Ministry of Finance or the Central Bank of Nigeria or before the last day immediately preceding the announcement of the Decree; (c) Public and private sector transactions relating to debt service obligations that are due and payable, official contributions and grants of International Organisations and remittances to Nigerian Missions abroad; (d) net proceeds of air tickets sold by foreign airlines up to and including the last day immediately preceding the commencement of the Decree; provided that the first leg of the Journey out of Nigerian had begun before the date of commencement of the Decree; (e) any transaction valid for foreign exchange in respect of which advance import duty had been paid, a clean report of finding issued by Inspection Agent, and documents submitted to the Central Bank of Nigeria for the issue of cover not later than the last day immediately preceding the commencement of the Decree. In essence, government took measures to uphold its obligations to commitments and contracts made before the coming of the new foreign exchange regime.

Also, all outstanding obligations of the government were put in the first -tier market. The Government, however, provided for a process and a date for the termination of this first-tier market. Accordingly, the SFEM decree specified that "as from the date of termination of the First-tier Foreign Exchange Market, all foreign exchange transactions shall be conducted in the second tier Foreign Exchange Market, SFEM". Thus, the termination of the first-tier market was linked to the emergence of a Foreign Exchange Market (FEM) devoid of any exemptions.

The aim of the Decree or the establishment of a foreign exchange market was multifaceted. First, it was designed to help determine a realistic exchange rate for the over-valued naira under the influence of market forces, promote efficient allocations of the country's scarce foreign exchange resources, curtail the propensity to import foreign goods as well as help eliminate or reduce the prevalence of the booming illegal or black market currency. It also aimed at eliminating and replacing the, hitherto, existing cumbersome administrative control and rationing of the nation's foreign exchange resources that informed the

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corrupt and decadent import-licencing regime, which came with the various economic stabilisation measures. Secondly, it was hoped that the new system would encourage and increase the net inflow of foreign exchange into the country, the decree, having authorised diverse sources of foreign exchange for the market. One of the primary targets of this last provision was the repatriation of monies legally and illegally deposited in foreign banks by Nigerians, and which they were reluctant to declare or return into the country for fear of government reprisals. Because the government knew that the repatriation of this enormous wealth, estimated in world financial circles to be comparable to the total foreign indebtedness of Nigeria, would give the country a strong capital base and therefore help turn the economy around, it was provided in the decree that "any person executing any transaction in the market shall not be required, and if required, shall not be obliged, to disclose the source of foreign currency to be sold in the market". Furthermore, and by way of liberalisation of the system, the decree abolished the erstwhile mandatory requirement that Nigerians must surrender foreign currencies imported into the country. This and other similar provisions in the decree acted to void the stringent provisions of the Exchange Control (Anti-Sabotage) Decree of 1984.

The actual operation of the second-tier foreign exchange market took off in September, 1986 with open weekly bidding sessions organised and supervised by the Central Bank of Nigeria. Shortly afterwards, the CBN, on whom was vested the power to operate the market, introduced a variety of operational changes in the bidding formats and procedures. The sessions soon became an indoor affair with the Central Bank announcing weekly or daily bid-results or new exchange rates for the naira to the public. Subsequently, it became difficult for outsiders to know what exactly went on behind the closed doors of the CBN and/or how new naira exchange rates were actually determined. In March 1987, in order to add depth to the foreign exchange operation of the banks, it was further articulated to include the supply side of this market, which was made up of Nigerian exporters of non-oil commodities, tourists and other owners of foreign currencies, while the demand-side comprised authorised dealer - that is, the banks.

Unlike the SFEM, the Inter-bank market had no administrative encumbrances such as ceiling limitation on purchases. The only regulation was the requirement that banks must not charge above 1% margin over their purchase price, when selling to their customers. While the establishment of the Inter-bank market assisted greatly in the mobilisation and channelling of foreign exchange into the official banking system, it, however, led to the emergence of multiple official exchange rates in the economy. It also exhibited and, indeed, encouraged a general tendency for the naira to depreciate much faster in the Inter-bank market than in the SFEM. According to Dr OJ Nnanna, in 1988, the arbitrage premium in the SFEM vis-a-vis the Inter-bank foreign exchange market averaged about

38%.¹⁶ Mindful of the economic implications of sustained arbitrage premium in the economy, the monetary authorities introduced many more modifications in the Foreign Exchange Market to deal with this and some other problems arising from the operation of the market. The Inter-bank market was subsequently abolished and Bureau de Change established in 1989 for dealing in funds hitherto marketed in the interbank markets. The FEM was the first serious attempt at foreign exchange liberalisation and the cornerstone of economic freedom which successive governments have horned and improved upon, but still retains the semblance of a free market despite the lack of depth resulting from a one product export economy and consequent limitations of the foreign exchange supply side.

Liberalisation of the economy: Another significant policy element of SAP was the abolition of the erstwhile pervasive price controls and the import and export licencing requirement on September 26, 1986. Also abolished was the 30% import surcharge. In furtherance of its commitment to free trade, the government adopted an interim import duty and excise structure, which in effect, reduced the dispersion rates and average custom duty from an estimated 33% to 25%. This interim schedule was later replaced with a new import tariff regime programmed to last for seven years although provision was made for slight periodic revisions of the schedules to meet with emerging realities and exigencies. It must be noted however that despite the professed inclination to free trade, the government prohibited the importation and exportation of certain agricultural products. This is one of the measures government hoped would bolster the local production of these items. The ban on exportation of local foodstuffs affected virtually all the locally produced staples – yam, cassava products, cocoyam, beans, etc.

Also banned was the exportation of timber. Another form of liberalisation instituted under SAP was the removal of subsidies on petroleum products and on services rendered by public utilities. These subsidies arose not through an act of deliberate policy by any of the past governments but resulted from years of neglect on the part of the relevant government agencies to adjust these rates and charges to take care of the impact of inflationary pressure and increasing cost of production on prices. By the time government turned its attention to this problem, an effective subsidy of up to 90% was already noticeable in some areas. In trying to redress the anomaly, to effectuate its anti-subsidy policy, prices of certain products, services went up many folds. Thus, unit rates charged by NEPA (for electricity), NITEL (for telephone, telex, fax services, etc.) and the prices of petroleum products went up by more than 500%, constituting a shock for which people still blame the Babangida regime but constituted the real first salvo in the fight for economic freedom and the injection of market-determined prices and therefrom allocation of resources. There was yet a measure of liberalisation in the country's commercial and industrial policy

¹⁶ Uchenna Nwankwo. (1992) Economic Agenda for Nigeria. Centrist Productions Limited

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regarding the role of foreigners in the economy as the government revised the country's indigenisation policy as contained in the Nigerian Enterprises Promotion Decree of the 1970's. Under the new regime, foreign firms could own up to 100% equity in some enterprises. There was now only one list of scheduled enterprises exclusively reserved for Nigerians for the purpose of 100% equity ownership. All other businesses were now open for 100% Nigerian or foreign participation except in the area of banking, insurance, and political considerations. The former system, forcing banks to open branches across the country had caused the banks to open many branch offices that were, by and large, economically unviable and led to waste and general ill health of the economy.

Privatisation and commercialisation of public enterprises: In November 1985, the Babangida administration in a maiden and most comprehensive review of the state of the economy revealed amongst others, that government parastatals and companies are unprofitable and constitute an embarrassing and unnecessary drain on public funds. It was revealed, perhaps for the first time that the federal government's cumulative investment in the various parastatals totalled ₦23.2 billion made up of (a) ₦11.43 equity investment; (b) ₦10.42 billion direct loans; and (c) ₦1.4 billion guaranteed loan in local currency apart from another ₦11.6 billion to these parastatals in form of subventions. In return government earned a paltry ₦933.7 million from these investments - a cumulative yield of about 4%, but a near negative yearly average yield over the investment period. These figures confirmed to government that publicly run enterprises in the country were grossly inefficient and ineffective both in terms of the quality of goods and services offered by them and in terms of profitability or economic results.

On the basis of this, the Babangida Administration decided to privatise and/or commercialise most of the government owned companies and parastatals. By privatisation, government meant to divest itself of ownership, management and control of these enterprises through sales to private enterprises. It could be partial or wholesale. Where there was partial privatisation, government might even decide to be a minority shareholder. In the case of commercialisation, government ownership or monopoly might still have subsisted while the structures or modus operandi of the company was changed to make it run on a purely commercial basis. In July, 1988, the decree on the privatisation and commercialisation of government companies and parastatals was promulgated. Overall, 67 parastatals and enterprises were slated for privatisation, and 43 others for partial privatisation. Similarly, 11 parastatals and enterprises were marked for commercialisation. As a follow-up, government established a Technical Committee on Privatisation and Commercialisation (TCPC) charged with the duty of implementing the policy. Even before the above development, the government had abrogated the ill-fated commodity boards that used to monopolise the export trade of the country's major agricultural products and restored the rights of private sector to operate in the area. Government also

scrapped the discredited Nigerian National Supply Company (NNSC) and the Nigerian National Freight Company.

Other aspects of the SAP were:

- a. rescheduling of the country's foreign debt and the introduction of a Debt Equity swap scheme;
- b. establishment of a National Directorate of Employment(NDE); a Directorate for Food, Roads, and Rural infrastructure (DFRRI), a Peoples Bank, etc; and
- c. introduction of certain fiscal and monetary policies, which, according to government, would complement and enhance the achievement of its broad objectives.

Half-baked industrial plans

The cornerstone of industrial development in Nigeria to date were embedded in the policies and programmes since Independence in 1960 as elaborated in the national development plans of 1962-1968 (the first national development plan), 1970-1974 (the second), 1975-1980 (the third), 1981-1985 (the fourth) and the subsequent national rolling plans of the nineties. The 1962-1968 national development plan was simply a sum-total of the four regional plans and the federal government plan, all of which consisted of independent projects. In terms of national industrial development programmes, substantial infrastructural development was planned and executed in the form of the gigantic hydroelectric project of Kainji dam and road/bridge construction. To enhance the private sector role in industrial development, the policy thrust was to provide financial resources, technical support and fiscal incentives especially to the indigenous private sector that lacked the innovative drive, technical know-how and financial capacity. This was implemented through the establishment of The Nigerian Industrial Development Bank (NIDB) (1964).

Prior to 1960, The Federal Loans Board had been established and it operated till 1963. It was a development bank. The fiscal incentives included income tax concessions, generous capital depreciation allowances, import income tax concessions, generous capital depreciation allowances, import duty concessions on imported inputs, industrial layouts with infrastructural facilities and tariff protections for the so-called infant industries. In addition to reliant industrial development, it also planned to promote a more self-reliant industrial development and reduce foreign domination of the industrial sector. Towards this end, the Nigerian Enterprises Promotion Act was enacted in 1973 to reserve some businesses for Nigerian entrepreneurs and to restrict foreigners to more complicated industries or joint ventures with Nigerians. The Nigerian Bank for Commerce and Industry was established in 1973 as part of the continuation of the policy of providing financial resources to industrial development. Manufacturing industries that sprang up in the sixties

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and seventies include the textile synthetic fabrics, footwear, soft drinks, beer and stout, cement, soap and detergent, sugar, confectionery, paints and refineries. This seemed to have encouraged the Federal Government to pursue a more comprehensive industrial policy during the 1975-1980 and 1981-1985 national plans.

Observing the limitations of indigenous entrepreneurs, especially in highly technical industries and inadequate foreign exchange resources during the 1962-1968 and 1970-1974 Plans, the government expanded its policy to encourage and attract foreign investors vigorously, and went into joint ventures with some state government and the private sector in establishing major industrial projects, referred to as "core industrial projects", which include steel plants and rolling mills, paper mills, fertilizer plants refineries, pet-

In spite of the oil boom and foreign exchange earnings of the mid-seventies, the decline in foreign exchange earnings during the eighties, exposed the serious lack of self-reliance of the industrial sector.

rochemical plants, machine tools, marble industries, mining companies and liquefied natural gas. This might also be due to external influence that encouraged the less-developed countries with low saving capacity to attract foreign capital inflow as a way of accelerating their economic development. A comprehensive industrial policy was published in 1980, titled "Nigerian Industrial Policy: Guidelines to Investors". The policy revised the categorisation of the schedules of industries to give foreign investors greater freedom. This was effected through The Nigerian Enterprise Promotion (Alteration of Scheduled Enterprises) Order, 1981.

In spite of the oil boom and foreign exchange earnings of the mid-seventies, the decline in foreign exchange earnings during the eighties, exposed the serious lack of self-reliance of the industrial sector. The inability to procure adequate foreign exchange for imported inputs, spare parts, plants and machinery, led to the decline of the manufacturing sector output by about 20% between 1981 and 1986. In an attempt to salvage the situation, the Structural Adjustment Programme (SAP), which sought to promote industrial competitiveness and reduce the excessive dependence on the oil sector and on imported inputs, through economic liberalisation was introduced in 1986. The medium-term plans that were characterised more by central planning in favour of deregulation, privatisation and commercialisation policies were abandoned. So the industrial policy focus shifted to the provision of legislative and administrative institutions and physical infrastructure rather than involvement in direct production of the mid-seventies and early eighties. A major component of the legislative regime was the Companies and Allied Matters Decree (No. 1 of 1990 now Act) which spells out the processes of incorporation, registration and supervision of companies by the Corporate Affairs Commission. The objective was to promote industrial development through the simplification of the processes and clarification of all issues to remove arbitrariness and bureaucratic confusion in the

establishment of industries. Other institutional provision exist mainly as a package of incentives, including the Nigerian Investment Promotion Council (NIPC), Nigerian Export Promotion Council (NEXIM), Export Processing Zone (EPZ), Nigerian Export Incentive Decree (1968), among others. There were other specialised institutions that were aimed at promoting research and development and technological progress. These include the Raw Materials Research and Development Council (RMRDC) and its allied institutions like PRODA (Project Development Agency) and FIRO (Federal Institute of Industrial Research, Oshodi).

The post-1986 period of Structural Adjustment Programme (SAP), as pointed out earlier, added another dimension to industrial policy, which was mainly the policy of deregulation. This led to the reduction of government direct involvement in industry and the process of commercialisation or privatisation of public enterprises. In a nutshell, the industrial policy of Nigeria has been one of immense incentives of all kinds. What was lacking was the conscious effort at ensuring that the industrial development process conforms to the requirements of optimal industrial development apart from the well-known problems of government lethargy in the implementation of the policy and the abuse of the incentives occasioned by corrupt practices carried out in conspiracy between government functionaries and clients.

The performance of the industrial sector (specifically the manufacturing sector) in respect of veritable national development objectives needs to be examined in order to assess the effectiveness of Nigeria's industrial development policy and identify the defects. The ultimate objective of industrial policy in Nigeria is social and economic development. The indigenous technological capability was supposed to have been built through the indigenous research institutes of which there were about 25, including the National Office of Industrial Property, the universities of which there were about 40 at that time, including state - owned universities and Research and Development department of firms based in Nigeria. Considerable indigenous technological development can be achieved in factories by even blue-collar workers, provided there is a conducive environment to bring out the best in them. Carter and Williams (1957) had shown that substantial proportion of original ideas that had generated innovations among 150 UK firms, had sprang outside the Research and Development (R&D) department of firms¹⁷.

In Nigeria, there were close links among the university research laboratories, corporate R&D departments and the government research institutes. Only few firms maintained

17 C. F. Carter; B. R. Williams. (1958). *Industry and Technical Progress*. by D. C. Hague The Economic Journal Vol. 68, No. 270 (Jun.), pp. 366-368 Published by: Wiley <http://www.jstor.org/stable/2227606>

cosmetic R&D departments as most big firms were wholly dependent upon their parent R&D departments. The Nigerian trade policies since the 1950s had failed to address the promotion of rapid indigenous technological capability, the trade and industrial policies were designed to attract indiscriminate Foreign Direct Investment among other targets. The Nigerian government had not attached the necessary importance to the development of indigenous technology as well as the control of imported technology. There is a trade-off between the promotion of indigenous technology and unfettered importation of foreign technology. The regulatory law for technology transfer was embedded in the National Office of Industrial Property (NOIP). The law that set up NOIP, was promulgated in 1979 with the objective of facilitating the development of domestic technological capabilities, and ensuring favourable terms and conditions for Nigerians with respect to technology agreement. Osunbor (1987) had pointed out that the law was discretionary and not mandatory. It remained, therefore, an ineffectual law¹⁸.

Attempts to promote indigenous technology were complemented by the creation of many research institutes covering research into sea, rivers, lakes, forests, animals, plants and products. The objectives were to conduct research into the country's natural resources for the purpose of upgrading them into industrial raw materials, to engage in research and development for the creation of new products, adaptation of such domestic raw materials for replicating imported products and engaging in development of suitable machinery and equipment. For instance, the Project Development Institute (PRODA)

It should be noted that the task of promoting indigenous technological development in Nigeria transcends mere creation and funding of research Institutes or establishing a Ministry of Science and Technology

was charged with the development of suitable machinery and equipment, in particular, those that relate to the use of steel, other metals, ceramics and glass for industrial and consumer gadgets. PRODA had succeeded in inventing a number of equipment and machines, including mechanised garri frying machine, steam cooker equipment and many others. The Federal Institute of Industrial Research, Oshodi (FIIRO) was established for the purpose of conducting research and development (up to the pilot stage) in food science and technology, with particular emphasis on local foodstuffs, vegetable oils, textiles using locally-produced fibre, pulp and paper, etc.

FIIRO succeeded in developing some machineries and equipment, including Garri Processing Equipment, Alcohol Distillation Plant, Pasteuriser (for pasteurisation of such products as palm wine and fruit drinks), fish smoke-dryer, soap kit (for producing

18 Osunbor O. (1987). A Critical Appraisal of the 'Interests of Justice' as an Exception to the Rule in *Foss v Harbottle* 36 ICLQ 1.

laundry soap, cooking machine) etc. FIIRO has recently been organising training programmes for entrepreneurs that may wish to engage in industries for which the Institute had developed machineries and equipment such as fruit juice production, edible mushroom production, laundry and toilet soap productions, instant pounded yam flour production, zobo drink production, etc. These are small-scale or cottage industries. Several Institutes were also established to improve agriculture, including animal husbandry and fishery. These are, the National Root Crops Research Institute at Umudike, Umua-hia, the Cocoa Research Institute of Nigeria, Onigambari, Ibadan, the Rubber Research Institute of Nigeria, Iyanomo, the Nigerian Institute for Oil Palm Research (NIFOR), Benin-City, and the Forestry Research Institute of Nigeria, Ibadan.

However, it should be noted that the task of promoting indigenous technological development in Nigeria transcends mere creation and funding of research Institutes or establishing a Ministry of Science and Technology. It requires, in addition, a conducive political economy for generating invention and for promoting creativity. The necessary conducive climate can only be created by considerably raising the system of rewards and remunerations for innovation, which must be sufficiently attractive to stimulate increasing supply. The demand price for invention, innovation and creativity remains relatively low and unattractive. The Nigerian trade policy that allows indiscriminate importation of all kinds of technology also continues to inhibit indigenous technology initiatives.

The process of industrial development in Nigeria had been dichotomised by Schatz as one of continually changing nurture-capitalism. He referred to the early industrialisation as colonialist nurture-capitalism, 1949-55; the nationalist nurture-capitalism spanned 1956-66; the guided international nurture-capitalism, 1970-74, and the period of mixed grill of state capitalism and nurture-private capitalism spanned 1975 to 1979 (Schatz, 1977: 7).¹⁹ This era was succeeded by private capitalism. The attention of the business elites, the soldiers and rulers turned away from genuine wealth creation to piracy. Turner correctly observed that there was a growing army of middlemen that had established a triangular relationship with bureaucratic "compradors" and foreign suppliers of goods and services.

The research institutes must be more closely linked to the Small and Medium Scale Enterprises (SMEs) to ensure greater diffusion of their products and processes

Small and medium-size enterprises are still subject to burdensome regulations and vague rules that are unevenly applied. These bad rules impose inefficiencies on the enterprise sector.

19 Sayre P. Schatz (1977). *Nigerian Capitalism*. University of California Press.

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She, however, failed to recognise the existing local entrepreneurial class and erroneously concluded that the class did not exist (Turner, 1976:38).²⁰ The class of entrepreneurs certainly existed in Nigeria but the prevailing political economy strangled and reduced the class into insignificance. It was an environment within which wealth creation had become unattractive and unappealing. The interests and the ideology of the Nigerian dominant groups made creation of real wealth almost irrelevant. The situation contrasted with the Indian experience. The Indian Sixth Five-Year Plan had been described as crucial to the development of indigenous technology development in India. It reflected the background, interest, motivation and ideologies of the planners and decision-makers. Fransman (1984:12) and Ley (1984) similarly argued that the technology-in-use is a manifestation of dominant social relations of production in any economy.²¹

Most industries in Nigeria operate much below technically-rated capacities because the required technological adaptation could not be made and imported raw materials could not be replaced by locally-produced inputs; in essence, replacement of imported raw materials with local inputs constituted another variant of the adaptation. The substitution

For the Nigerian economy to be placed on the path of growth and development, the orientation of the elite must change.

of composite flour made from domestic resources such as cassava, plantain, etc. to replace imported flour is a good example. The imperatives of economic development require that local raw materials should replace imported raw materials. It is through this means that industrialisation would have positive impact on a greater number of people within the country; by this means, industrialisation will produce a multiplier effect on the national economy. This is an important means by which industries can create backward linkages within the economy. Unfortunately, industrialisation in Nigeria has failed to create adequate linkages within the economy. This failure has resulted in annual huge importation of intermediate goods. Import substitution had

shifted the importation of finished products to intermediate products. The situation has also circumscribed the rate of industrial growth and perpetuated the dualism in the Nigerian industrial pattern.

During the period of 1980-1999, the Nigerian social overhead capital virtually collapsed. Electricity generation and distribution considerably shrank and became unreliable. Almost all the roads built between 1970 and 1979 fell into a state of disrepair, while the communication network also collapsed. The problem of the Nigerian economic environment was compounded

20 Turner Terisa. (1976). *Multinational Corporations and the Instability of the Nigerian State Review of African Political economy*

21 Ley C. (1984) *Relations of Production and Technology*. In M. Fransman and K. King (eds) *Technological Capability in the Third World*. Macmillian Press, London.

by the repressive military regime. All these factors inhibited investment; indeed, the period was one of disinvestment. Industrial capacity utilisation rapidly shrank from the 1980s, becoming more and more aggravated in the 1990s. For the purpose of accelerating industrialisation and development in Nigeria, there is an urgent need to vigorously promote industrialisation as well as corporate linkages. The research institutes must be more closely linked to the Small and Medium Scale Enterprises (SMEs) to ensure greater diffusion of their products and processes and to ensure that these research institutes are well-informed of the needs of the enterprises. The manufacturing structures had to radically change and tilted more towards capital goods' industries. The current domination of the consumer goods' industries cannot promote rapid industrialisation. There had been moderate efforts to revive and repair the Nigerian social overhead capital since the turn of the century. But the economic orientation has not changed. The energies of the elite continue to be concentrated on the distribution of the wealth accruing from crude oil and not creation of wealth. The National Assembly (the Senate and House of Representatives) has been preoccupied with battling the executive arm of government for allocation of public funds in an attempt to grab as much as it could without any regards for reviving the economy. For the Nigerian economy to be placed on the path of growth and development, the orientation of the elite must change. Reward for creation of wealth, for highly perceptive entrepreneurship and innovation must be considerably raised. The reward system must change in favour of entrepreneurship, innovation and creativity.

Business hygiene factors

A thriving private sector with new firms entering the market, creating jobs and developing innovative products-- contributes to a more prosperous society. Governments play a crucial role in creating dynamic environments for firms. Government sets the rules that establish and clarify property rights, reduce the cost of resolving disputes and enhance the predictability of economic transactions. Without good laws that are properly and fairly enforced, entrepreneurs have a harder time starting and growing the small and medium-size firms. How the "scape goat" policies of the pre-SAP era polluted the economic environment, stunted economic growth, fuelled corruption and created the wide income inequality that the country has not been able to address till date has been discussed. Besides, it is a known fact that Start-Ups, Small and Medium Enterprises (SSMEs) are the engine of growth in any economy. According to statistics, SSMEs and informal enterprises, account for over 60% of GDP and 70% of total employment in low income countries and about 70% of GDP and 95% of total employment in middle income countries.²² Doing Business²³ is a series of annual reports benchmarking

The reward system must change in favour of entrepreneurship, innovation and creativity.

22 http://www.mta-egypt.com/msmes_programs.html

23 World Bank. (2013). Doing Business 2014: Understanding Regulations for Small and Medium-Size

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the regulations that affect private sector firms, in particular small and medium-size enterprises. The 2014 report is the 11th in the series. Since its commencement, it has made important strides in improving the quality of the rules underpinning private sector activity. It also supports the twin World Bank Group goals of ending extreme poverty and boosting shared prosperity. Above all, it helps to mobilise policy makers to reduce the cost and complexity of government procedures and improve the quality of institutions. It has also made important strides in improving the quality of the rules underpinning private sector activity. Such change serves to enhance the opportunities open to the poor, as they secure jobs and begin to improve their standard of living. As more firms join the formal sector, entrepreneurs have a greater chance to grow their businesses and create jobs, and workers are more likely to enjoy the benefits of regulations such as social protection and safety regulations. In many parts of the world in recent years,

Doing Business data shows that there has been remarkable progress in removing some of the biggest bureaucratic obstacles to private sector activity. In Nigeria, small

Corrupt officials in the system, work hand in glove with external agents (touts), demanding bribes from frustrated applicants to 'help facilitate' the process.

and medium-size enterprises are still subject to burdensome regulations and vague rules that are unevenly applied. These bad rules impose inefficiencies on the enterprise sector, increase the cost of doing business and open them to the corruption that discretionary powers embedded in the regulation confers on unscrupulous officials. This curtails the overall competitiveness of economies and their potential for creating jobs.

The economies ranking highest on the Ease of Doing Business Index are not those with no regulation, but those whose governments have managed to create a regulatory system that facilitates interactions in the marketplace and protect important public interests without unnecessarily hindering the development of the private sector. These are countries that have regulatory systems that operate within strong institutions and low transaction costs. All these economies have both a well-developed private sector and a reasonably efficient regulatory system that has managed to strike a sensible balance between the protections that good rules provide and the need to have a dynamic private sector unhindered by excessively burdensome regulations. For example, Nigeria's driver's licence, is among those with the shortest validity worldwide of three years (Business Day recently revealed), despite the cumbersome procedures and rigours experienced by prospective applicants. The bureaucratic bottlenecks and poor logistics bedevilling the process have made the quest in obtaining a driver's licence in Nigeria a nightmare. Corrupt officials in the system, work hand in glove with external agents (touts), demanding bribes

from frustrated applicants to 'help facilitate' the process. This 'facilitation' usually takes the form of helping applicants to jump documentation queues, which can ordinarily take several months. "It provides avenues for desperate applicants to bribe their way through, as well as encourages monetisation of some stages that require applicants to be physically tested before licences are issued," said an observer familiar with the process. While Nigeria pegs the validity of its driver's licence at three years, in the United Kingdom the tenure of the document is at least 10 years, in Canada five years, in South Africa, 10 years, and five years for Zambia, Kenya, Zimbabwe and Ghana²⁴. Regulations that protect consumers, shareholders and the public without over-burdening firms help create an environment where the private sector can thrive. As shown in Figure 6.1, regulation is a reality from the beginning of a firm's life to the end. Navigating it can be complex and costly. On the average around the world, starting a business takes seven procedures, 25 days and costs 32% of income per capita in fees. But while it takes as little as one procedure, half a day and almost nothing in fees in New Zealand, an entrepreneur must wait 208 days in Suriname and 144 in República Bolivariana de Venezuela²⁵.

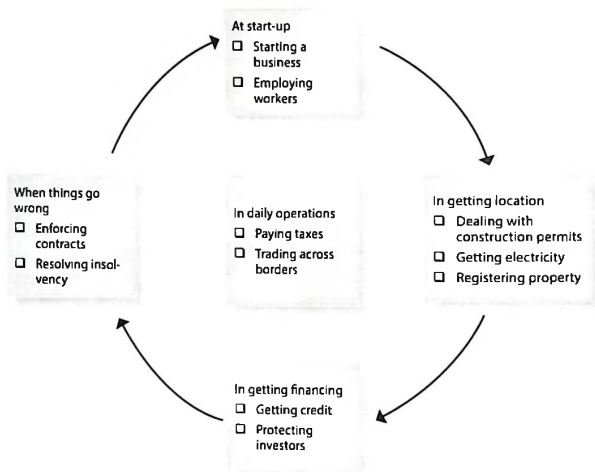
The economies ranking highest on the Ease of Doing Business Index are not those with no regulation, but those whose governments have managed to create a regulatory system that facilitates interactions in the marketplace and protect important public interests

24 Business Day 18 April, 2014

25 World Bank. 2013. Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises. Washington, DC: World Bank Group

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Figure 6.1: Regulations as measured by Doing Business affect firms throughout their life cycle



Source: *Doing Business Washington, DC: World Bank Group 2014*

To operate and expand, firms will need financing from shareholders or creditors. Raising

Sound business regulations require both efficient procedures and strong institutions that establish transparent and enforceable rules.

money in the capital market is easier and less costly where minority shareholders feel protected from self-interested transactions by large shareholders. Good corporate governance rules can provide this kind of protection. But among the 189 economies covered by Doing Business, 46 still have only very limited requirements for disclosing majority shareholders' conflicts of

interest or none at all. This undermines trust in the system, making it less likely that investors will take a minority stake in a firm. Similarly, creditors need guarantees that their loans will be repaid. Information about potential borrowers and solid legal rights for creditors play an important part in providing those guarantees. Yet institutions providing these are not universal among the 189 economies: 35 have no credit bureau or registry that provide information about borrowers, and 124 lack a modern collateral registry where a creditor can check whether a movable asset being pledged as collateral has any other liens on it. If despite all efforts the firm ends up insolvent, having institutions in place that enable creditors to recover their assets will be necessary and also important.

On the average around the world, creditors recover no more than 35% of their initial loan in case of bankruptcy as measured by Doing Business.

In many parts of the world in recent years, Doing Business data shows that there has been remarkable progress in removing some of the biggest bureaucratic obstacles to private sector activity. Sound business regulations require both efficient procedures and strong institutions that establish transparent and enforceable rules. Doing Business measures of both these elements through indicators relating to the strength of legal institutions relevant to business regulation and through indicators, relating to the complexity and cost of regulatory processes.²⁶ As set out in Figure 6.1, the indicators deal with regulations applying to domestic, small and medium-size companies, operating in the largest business city of each economy, in 10 areas in their life cycle – starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Those in the first group, measure the cost and efficiency of regulatory processes for starting a business, dealing with construction permits, getting electricity, registering property, paying taxes and trading across borders. Those in the second group measure the strength of the legal and regulatory framework for getting credit, protecting investors, enforcing contracts and resolving insolvency. The aggregate ranking on the Ease of Doing Business is based on these indicators.

Table 6.1: Doing Business—benchmarking 11 areas of business regulation

Criteria	Elements Measured
Starting a business	Procedures, time, cost and paid-in minimum capital requirement
Dealing with construction permits	Procedures, time and cost
Getting electricity	Procedures, time and cost
Registering property	Procedures, time and cost
Paying taxes	Payments, time and total tax rate
Trading across borders	Documents, time and cost
Strength of legal institutions	
Getting credit	Movable collateral laws and credit information systems
Protecting investors	Disclosure and liability in related-party transactions
Enforcing contracts	Procedures, time and cost to resolve a commercial dispute
Resolving insolvency	Time, cost, outcome and recovery rate
Employing workers	Flexibility in the regulation of employment

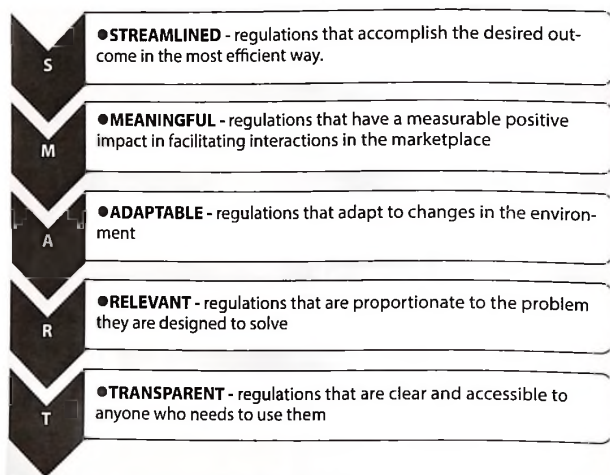
Source: *Doing Business Washington, DC: World Bank Group 2014*

²⁶ World Bank. 2013. *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*. Washington, DC: World Bank Group

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Doing Business also documents regulations on employing workers, which are not included in the aggregate ranking. In addition, Doing Business tracks good practices around the world to provide insights into how governments have improved the regulatory environment in the past in the areas that it measures. Doing Business recognises that the state plays a fundamental role in private sector development. Governments support economic activity by establishing and enforcing rules that clarify property rights, reduce the costs of resolving disputes, increase the predictability of economic interactions and provide contractual partners with core protections.

Figure 6.1: How Doing Business defines SMART business regulations



Source: *Doing Business Washington, DC: World Bank Group 2014*

Economies performing well on Doing Business indicators are on average more inclusive along at least two very important areas. Firstly, they tend to have smaller informal sectors, meaning that more people have access to the formal market and can benefit from such regulations as social protection and workplace safety regulations. Secondly, they are more likely to have gender equality under the law as measured by the World Bank Group's Women, Busi-

Overall, economies with smarter business regulations are more likely to nurture an environment conducive to greater economic inclusion.

ness and the Law indicators.²⁷ These two important aspects of inclusiveness reflect, in part, a desire by governments to more effectively allocate resources. This means not hampering the productivity of formal businesses through overly burdensome rules not needlessly depriving the economy of the skills and contributions of women. Overall, economies with smarter business regulations are more likely to nurture an environment conducive to greater economic inclusion.

Most economies that undertake regulatory reforms as recorded by Doing Business, do so as part of a broader reform agenda. Data show that governments investing resources in Doing Business reforms in the past decade have also introduced many policy changes in other important areas. One of such areas is governance. Data show that improvements in the areas measured by Doing Business are positively correlated with changes in general regulatory quality, a key element of the overall quality of governance. This suggests that economies reforming in areas tracked by Doing Business are likely to be reforming regulations generally, not just business regulation. There is also a positive association between improvements in Doing Business indicators and improvements in rule of law and control of corruption²⁸. There is an emphasis on SMART regulations by Doing Business. Doing business is not about eliminating the role of the state from private sector development. On the contrary, Doing Business recognises that the state has a fundamental role in private sector development. A key premise of Doing Business is that economic activity requires good rules. This includes rules that establish and clarify property rights, reduce the cost of resolving disputes, increase the predictability of economic interactions and provide contractual partners with core protections against abuse. The objective is to have regulations designed to be efficient, accessible to all users and simple in their application. Doing Business is about smart regulations, and these can be provided only by a well-functioning state as set out in Figure 6.2.

Creating an enabling environment

A number of reasons have been advanced for Nigeria's continued performance below its economic potentials. It has extensively been posited that improvements in economic freedom in a country are an important and strong determinant of increased rates of growth in the country. Key drivers of such economic growth and poverty reduction are usually the result of high levels of flexibility and resilience that come with economic freedom. Besides, economies are well positioned to compete when they are not shackled or burdened by excessive regulations or red tape and the cost of doing business therein are at a minimum. The consequence of this is that, such competitive economies drive productivity

27 See <http://wbl.worldbank.org> for more information about the Women, Business and the Law project.

28 World Bank. 2013. Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises. Washington, DC: World Bank Group

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enhancements which support high incomes by ensuring that the mechanisms enabling solid economic performance are in place. Adam Smith espoused this theory of freedom to choose in the doctrine of 'natural law' in economic affairs. He regarded every person as the best judge of his self-interest and should be left to pursue these interests to his own advantage. However, in the course of furthering his own self-interest, he would also end up furthering the common good. In the pursuance of this, each individual is led by an "invisible hand", which guides market mechanism. Since every individual, if left free, will seek to maximise his own wealth, therefore, all individuals, if left free, will maximise aggregate wealth. It has been proved that economic development can be sustained only by unleashing the creative energies of people through competitive and efficient markets.

One of the great lessons of this recent decade is that competitive markets are the best

In the desire to do good, governments often do more harm that inhibits free markets from functioning. The "visible hand" of government interferes in production, trade and consumption.

guarantee for human development. They open up opportunities for creative enterprise, and they increase the access of people to a whole range of economic choices. The concept of economic freedom, where minimum regulations hold firms back, is, therefore, related to the presence of protective rights which are the rights of every individual to make choices and pursue the activities that enhance his desire for upliftment, and self-improvement. A desire for freedom and prosperity is an innate human tendency. Unfortunately,

this natural desire can easily be shackled and constrained by governments that actually believe they are aiding rather than disempowering citizens. In the desire to do good, governments often do more harm that inhibits free markets from functioning. The "visible hand" of government interferes in production, trade and consumption. It is in this light that the ranking of Nigeria, using the Ease of doing business table in comparison with its comparators should be viewed.

Table 6.2: Ease of Doing Business

Ease of Doing Business (Rank)			
Economy	2012	2013	2014
Botswana	54	59	56
Brazil	126	130	116
Ghana	63	64	67
India	132	132	134
Indonesia	129	128	120
Nigeria	133	131	147
Malaysia	18	12	6

Ease of Doing Business (Rank)			
Economy	2012	2013	2014
Singapore	1	1	1
South Africa	35	39	41
South Korea	8	8	7

Source: Doing Business database

Nigeria ranks lowest among the comparator countries with a rank of 147 out of 189 countries in the 2014 table, a ranking that deteriorated from 131 and 133 in 2013 and 2012 respectively. What this means is that the small and medium sized firms in Nigeria have enormous regulatory barriers to overcome, with its consequent high cost of doing business that it portends. This is a confirmation that overall, small and medium-size enterprises are still subject to burdensome regulations that create inefficiencies for the enterprises. These rules leave too much to the discretion of unscrupulous officials thereby breeding corruption. Yet, these firms are required to thrive so that the economy can grow faster to create jobs and the teeming population of unemployed or under employed can begin to reduce. The country's comparators except India, Indonesia and Brazil have again ranked very highly here with Singapore coming first, South Korea, hovering around eighth position. Malaysia, South Africa, Botswana and Ghana also have impressive ranks. Nigeria, therefore, has countries even in Africa to learn from, if looking up to Asia is too distant.

A review of the component elements show that Nigeria does not fare well in most of the areas. The categories and the ranking of Nigeria is set out in Table 6.3 below with the following:

Table 6.3: Nigeria Ranking in the Ease of Doing Business Components – 2014

Component	Rank
Starting a business	122
Dealing with Construction Permit	151
Getting Electricity	185
Registering Property	185
Getting credit	13
Protecting Investors	68
Paying Taxes	170
Trading Across Borders	158
Enforcing Contracts	136
Resolving Insolvency	107

Source: Doing Business Database

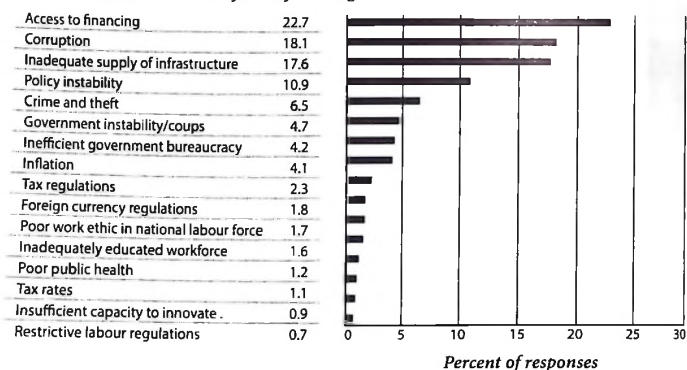
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Apart from the Getting Credit and Protecting Investors metric where it ranked 13 and 68 respectively, Nigeria ranked above 100 in all the other areas. This is not at all surprising as the two areas, where it ranked high, are areas where the private sector best practices hold sway in Nigeria. In the area of credit, the Central Bank of Nigeria and the commercial banks have instituted a robust set of policies and practices which together with the CBN CRC Credit Bureau Limited, have made it easy in theory for companies to borrow money. In practice though, it is still an uphill task for SSMEs to have access to finance from financial institutions in Nigeria. While banks shy away from lending to SSMEs because of the risk of such lending and the high cost to serve the SSME market, SSMEs themselves suffer from numerous deficiencies that make them unattractive to banks for financing. This same reason in fact contributes to why SSMEs fail within a year or two of starting business. These deficiencies include, inability to separate business and personal transactions, to determine if the business is profitable or not, absence of good business planning, weak management structure and lack of internal control, non-compliance with corporate affairs and tax laws, refusal to seek advice from financial experts, and not keeping proper books of accounts and records etc. That is why the Global Competitiveness Index recorded the highest challenge faced by businesses in Nigeria to be, access to finance as set out in Chart 6.1.

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Chart 6.1: Most Problematic factors for Doing Business



Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Apart from Getting Credit and Protecting Investors that have a large component of private sector involvement, the other Doing Business elements are essentially government related issues. There are challenges and difficulties with regulations which in most cases are left to the whims and interpretation of the officials superintending them, using the opportunity to bend the rules in favour of those who are ready to cut corners in avoidance of the red tapes. This breeds corruption and incompetence, which is the reason that corruption is listed as the second most serious challenge in the Nigerian business environment, as set out in Chart 6.1. The related issues will become clearer when the individual elements are discussed in detail.

Apart from Getting Credit and Protecting Investors that have a large component of private sector involvement, the other Doing Business elements are essentially government related issues.

Starting a business: Incorporation of companies has many immediate benefits for companies and for business owners and employees. Unlike sole traders and partnerships, the liability of owners of incorporated businesses is limited to the amount of shares that they agreed to take up in the business. Furthermore, since the business is deemed in law to be a separate legal entity, the business entity can outlive their founder. The business finds it easier to raise money when resources are pooled together, with several shareholders joining forces to start a company. Incorporation limits the financial liability of company owners to their investments, so personal assets of the owners are not put at risk. Formally, registered companies have access to services and institutions from courts to banks as well as to new markets and their employees can benefit from the protection provided by the law. An additional benefit comes with limited liability companies. Where governments make registration easy, more entrepreneurs start businesses in the formal sector, creating more good jobs and generating more revenue for the government.

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Table 6.4: Starting a Business Ranking

STARTING A BUSINESS												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)
Botswana	96	9	60	1.2	95	9	60	1.1	90	10	61	1.8
Brazil	123	13	107.5	4.6	121	13	119	4.8	120	13	119	5.4
Ghana	128	8	14	15.7	111	7	12	18.5	104	7	12	17.3
India	179	12	27	47.3	177	12	27	49.8	166	12	29	46.8
Indonesia	175	10	48	20.5	171	10	48	22.7	155	8	45	17.9
Nigeria	122	8	28	58.3	119	8	34	60.4	116	8	34	70.6
Malaysia	16	3	6	7.6	19	3	6	15.1	50	4	6	16.4
Singapore	3	3	2.5	0.6	3	3	2.5	0.6	4	3	3	0.7
South Africa	64	5	19	0.3	39	53	5	19	44	5	19	03
South Korea	34	5	5.5	14.6	23	5	5.5	14.6	24	5	7	14.6

Source: Doing Business database

Doing Business measures the ease of starting a business in an economy by recording all

It is relatively easy to reform the processes of the Corporate Affairs Commission (CAC) by simply cutting off the padded red tape and injecting efficiency into the way that the processes and systems are executed.

procedures officially required or carried out in practice by an entrepreneur to start up and formally operate an industrial or commercial business—as well as the time and cost required to complete these procedures. It also records the paid-in minimum capital that companies must deposit before registration (or within 3 months). The ranking on the ease of starting a business is the simple average of the percentile rankings on the four component indicators: procedures, time, cost and paid-in minimum capital requirement.

According to data collected by *Doing Business*, Nigeria ranks 122 out of 185, regarding starting a business in 2014. It requires eight procedures compared to three in Singapore and Malaysia and five in South Africa and South Korea. It takes 28 days compared to 14 days in Ghana and less than three days in Singapore. The cost, which was 58.3% and paid-in minimum capital of 0.0% of income per capita before the rebasing, will now fall to less than 30% compared to less than 1% in South Africa and Singapore and 1.2% in Botswana. The rankings for comparator economies and the regional average ranking provide a very useful insight for assessing how easy it is for an entrepreneur in Nigeria

to start a business. The low ranking of Nigeria in all the elements of this metric shows clearly that there is much to do to harness the entrepreneurial zeal which naturally boils in most Nigerians. It is relatively easy to reform the processes of the Corporate Affairs Commission (CAC) by simply cutting off the padded red tape and injecting efficiency into the way that the processes and systems are executed. Economies around the world have taken steps that make it easier to start a business—streamlining procedures by setting up a one-stop shop, making procedures simpler or faster by introducing technology and reducing or eliminating minimum capital requirements. Many have undertaken business registration reforms in stages—and they are often part of a larger regulatory reform programme. Unfortunately, according to *Doing Business*, Nigeria did not record any business reform between 2009 and 2014. Even with the challenges, new SSMEs are set up on a daily basis in Nigerian by citizens and foreigners alike. It can, therefore, be imagined what would happen, when the processes are streamlined and made easier and cheaper.

Dealing with construction permits: Regulation of construction is critical to protect the public from damage that could be done as a result of construction carried out without plans, which is unsafe or does not take the environment into consideration. However, obtaining construction permits needs to be efficient to avoid excessive constraints on a sector that plays an important part in every economy. Where complying with building regulations is excessively costly in time and money, many builders will avoid either building, risk the wrath of the law by not obtaining the necessary permits or resort to paying bribes to pass inspections or simply build illegally, leading to hazardous construction that puts public safety at risk. Where compliance is simple, straightforward and inexpensive, everyone is better off.

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Table 6.5: Ranking of Dealing with Permits

DEALING WITH CONSTRUCTION PERMITS												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)
Botswana	69	21	111	17.6	164	22	186	168	132	22	145	203
Brazil	130	15	400	34.8	126	15	430	36	127	17	469	40.2
Ghana	159	15	246.5	259.6	158	15	246.5	307.4	156	16	218	560.3
India	182	35	168	2640.4	183	35	168	2973.4	181	34	227	1631.4
Indonesia	88	13	158	87.2	77	13	158	95	71	13	158	105.3
Nigeria	151	18	116	3504.8	88	15	85	417.7	84	15	85	504.8

DEALING WITH CONSTRUCTION PERMITS												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita
Malaysia	43	15	130	14.7	99	37	140	17.5	113	22	260	7.1
Singapore	3	11	26	15.7	3	11	26	16.4	3	11	26	18.1
South Africa	26	16	78	9.9	39	13	127	33.4	31	13	127	21.2
South Korea	18	11	29	123.9	21	11	29	127.2	26	12	30	79.5

Source: Doing Business database

Doing Business records the procedures, time and cost for a business in the construction industry to obtain all the necessary approvals to build a warehouse in the economy's largest business city, connect it to basic utilities and register the property so that it can be used as collateral or transferred to another entity. The ranking on the Ease of Dealing with Construction Permits is the simple average rankings on its component indicators: procedures, time and cost. According to Doing Business, Nigeria ranks 151 out of 185 countries in terms of what it takes to comply with the formalities to build a warehouse. Dealing with construction permits as represented in Table 6.5 requires 18 procedures, takes 116.0 days and costs 3,504.8% of income per capita. In almost the three elements of this metrics – procedures, time and cost - Nigeria ranks the poorest amongst the comparators. Unfortunately, the situation seems to be getting worse instead of getting better. In the five years between 2009- 2014, there was no effort made to improve the procedures. This metric is within the ambit of the state government unlike the registration to start a business which is a federal responsibility. What is striking, therefore, is that the decadence in the way that government does business cuts across the three tiers of government, and therefore cuts across political lines. If politicians and leaders are serious about reducing corruption, growing the economy and getting the unemployed back to work, the improvement of these processes is the place to begin.

Getting electricity: Access to reliable and affordable electricity is vital for businesses. As a matter of fact, it is almost impossible to run a business today without electricity, as it is required to power gadgets, operate computer systems apart from its use to power plant and equipment in industrial concerns etc., in fact most technologies require the use of energy. In the absence of electricity supply, many firms in developing economies resort to the purchase of generators and petrol or diesel to provide themselves with private electricity supply often at a prohibitively high cost. Apart from the noise and pollution of the environment from generator fumes, it increases the cost of doing business tremendously and is most inconveniencing as back-ups are usually required to ensure an uninterrupted electricity supply resulting from

break downs and repairs or refurbishments. Whether electricity is reliably available or not, the first step for a customer is always to gain access by obtaining a wired connection.

Table 6.6: Ranking on getting connected to electricity

Getting Electricity												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita
Botswana	107	5	121	389.1	96	5	121	353.8	91	5	121	408.9
Brazil	14	4	58	34.4	14	4	58	36.3	51	6	34	130.8
Ghana	85	4	79	2295.3	88	4	79	2717.9	68	4	78	1218.5
India	111	7	67	230.7	110	7	67	247.3	98	7	67	216.2
Indonesia	121	6	101	307.6	121	6	101	403.8	161	7	108	1379
Nigeria	185	8	260	960.5	178	15	85	417.7	176	8	260	1056
Malaysia	21	5	32	49.1	28	5	46	53.9	59	6	51	95.5
Singapore	6	4	36	27.5	5	4	36	28.6	5	4	36	31.1
South Africa	150	5	226	1432	150	5	226	1505.8	124	4	226	1651.5
South Korea	2	4	18	17.7	1	4	18	13.8	11	4	49	38.6

Source: Doing Business database

Doing Business records all procedures required for a local business to obtain a permanent electricity connection and supply for a standardised warehouse, as well as the time and cost to complete them. These procedures include applications and contracts with electricity utilities, clearances from other agencies and the external and final connection works. The ranking on the ease of Getting Electricity is the simple average of the percentile rankings on its component indicators- procedures, time and cost. What does it take to obtain a new electricity connection in Nigeria? According to data collected by *Doing Business*, getting electricity requires eight procedures, takes 260 days and costs 960.5% of income per capita. Globally, Nigeria stands at 185 in the ranking of 189 economies on the ease of getting electricity in 2014. Amongst the comparators in Table 6.6 above, Nigeria despite its poor electricity supply ranks better in cost of connection to electricity as a percentage of income per capita than Ghana and South Africa. Nigeria's cost and time reduced in 2013 as against the scores in 2012 but got worse in 2014. The number of days it takes to get electricity for business in Nigeria in 2014 is the highest (260 days) among its comparators, with South Korea at the lowest (18 days). Obtaining an electricity connection is essential to enable a business conduct its most basic

The number of days it takes to get electricity for business in Nigeria in 2014 is the highest (260 days) among its comparators.

operations. In many economies, the connection process is complicated by the multiple laws and regulations involved—covering service quality, general safety, technical standards, procurement practices and internal wiring installations. In an effort to ensure safety in the connection process while keeping connection costs reasonable, governments around the world have worked to consolidate requirements for obtaining an electricity connection. While no reform has been carried out by Nigeria in the last three years to 2014, it is hoped that the privatisation of the electricity value chain and in particular the sale of the distribution companies will facilitate not only the connection processes but also ensure that electricity supply is generally improved. There can be no technological development without steady electricity supply.

Registering property: Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. And where property is informal or poorly administered, it stands a little chance of being accepted as collateral for loans, limiting access to finance. Doing Business records the full sequence of procedures necessary for a business to purchase property from another business and transfer the property title to the buyer's name. The transaction is considered complete when it is robust and incontrovertible to third parties and when the buyer has unfettered use of the property, uses it as collateral for a bank loan or resells it. The ranking on the ease of Registering Property is the simple average of the percentile rankings on its component indicators- procedures, time and cost.

Table 6.7: Ranking in Registering Property

Registering property												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (% of income of per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income of per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income of per capita)
Botswana	41	4	15	5.1	40	4	15	5.1	50	5	16	5
Brazil	107	14	30	2.6	103	14	30.5	2.6	114	13	39	2.3
Ghana	49	5	34	1.2	45	5	34	1.2	36	5	34	0.7
India	92	5	44	7	91	5	44	7.1	97	5	44	7.3
Indonesia	101	6	22	10.9	97	6	22	10.8	99	6	22	10.8
Nigeria	185	13	77	20.8	182	13	86	20.8	180	13	82	20.8
Malaysia	35	5	14	3.3	33	5	14	3.3	59	5	48	3.3
Singapore	28	5	5.5	2.9	35	5	20	2.9	14	3	5	2.8
South Africa	99	7	23	6.1	79	6	23	5.9	76	6	23	5.6
South Korea	75	7	9	5.1	73	7	9	5.1	71	7	11	5.1

Source: Doing Business database

According to the Doing Business data, registering property in Nigeria as of 2014 requires 13 procedures, takes 77 days and costs 20.8% of the property value. Nigeria performs very poorly in this area. It ranked 180th and 182th in 2012 and 2013 respectively, and dropped to 185th (the last position) in 2014. The challenge here is the fall out of the 1978 Land Use Act which has been extensively discussed. The conclusion drawn from that discussion was that the cumbersome procedures of the Land Use Act have constituted a restriction on economic freedom, discouraged new business and investment as well as increased the cost of doing business, particularly regarding the registration of titles to land. The practical and negative impact of the Act is what this metric shows. The land registration process, which takes less than six days in Singapore, nine days in South Korea and 23 days in South Africa as at 2014, takes 77 days in Nigeria. Doing Business recorded 61 days to process Governor's consent alone while a pile of other documentation is still required in the registration process. While the Act requires the Governor's consent, the process as has been explained, is now politicised in the states and is open to corruption, cronyism and abuse. The amendment of this law in very significant aspects is now of considerable importance. Economies worldwide have been making it easier for entrepreneurs to register and transfer property, by computerising land registries, introducing time limits for procedures and setting low fixed fees. Many have cut the time required substantially, enabling buyers to use or mortgage their property earlier. Nigeria is yet to key into this reform which is necessary for the country to attract investment and grow the economy.

The cumbersome procedures of the Land Use Act have constituted a restriction on economic freedom, discouraged new business and investment as well as increased the cost of doing business.

Getting credit: Two types of frameworks can facilitate access to credit and improve its allocation: credit information systems, together with systems and procedures, borrowers and lenders apply in collateral and bankruptcy laws. Credit information systems enable lenders' rights to view a potential borrower's financial history (positive or negative)—valuable information to consider when assessing risk. They likewise permit borrowers to establish a good credit history that will allow easier access to credit. Secondly, sound collateral laws enable businesses to use their assets, especially movable property, as security to generate capital, while strong creditors' rights have been associated with higher ratios of private sector credit to GDP.

Table 6. 8: Getting Credit

Getting credit															
Economy	DB2014					DB2013					DB2012				
	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)
Botswana	73	6	4	0	60.7	71	6	4	0	58.9	48	7	4	0	59.6
Brazil	109	3	5	50.4	63.4	105	3	5	46.8	62.2	98	3	5	36.1	61.5
Ghana	28	8	5	0	10.4	28	8	5	0	5.7	48	8	3	0	3.3
India	28	8	5	0	19.8	24	8	5	0	14.9	40	8	4	0	15.1
Indonesia	86	5	4	41.2	0	82	5	4	36	0	126	3	4	31.8	0
Nigeria	13	9	5	0.1	4.9	23	9	4	0.1	4.1	78	9	0	0.1	0
Malaysia	1	10	6	52.9	77.2	1	10	6	56.1	81.8	1	10	6	49.4	83.4
Singapore	3	10	5	0	60.3	11	10	4	0	58.3	8	10	4	0	53.8
South Africa	28	7	6	0	55.6	1	10	6	0	54	1	10	6	0	52
South Korea	13	8	6	100	100	11	8	6	100	100	8	8	6	0	104

Source: Doing Business database

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through two sets of indicators. One is the Depth of Credit Information Index which measures rules and practices affecting the coverage, scope and accessibility of credit information available through a public

When economies strengthen the legal rights of lenders and borrowers under collateral and bankruptcy laws, and increase the scope, coverage and accessibility of credit information, they can increase entrepreneurs' access to credit.

credit registry or a private credit bureau. The second is the Strength of Legal Rights Index, which measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. Doing Business uses case scenarios to determine the scope of the secured transactions system, involving a secured borrower and a secured lender and examining legal restrictions on the use of movable collateral. The credit information system and collateral and bankruptcy laws in Nigeria is robust and at least does not inhibit access to credit. The Nigerian economy has a score of five on the Depth of Credit Information Index, and a score of nine on the Strength of Legal Rights Index in 2014. High scores indicate more credit information and stronger legal rights for borrowers and lenders.

Globally, Nigeria stands at 13 in the ranking of 189 economies on the Ease of Getting Credit. The rankings in Table 6.8 for comparator economies provide the metrics in confirmation of the usefulness of information for assessing how well regulations and institutions in Nigeria support lending and borrowing. When economies strengthen the legal rights of lenders and borrowers under collateral and bankruptcy laws, and increase the scope, coverage and accessibility of credit information, they can increase entrepreneurs' access to credit. The CBN and the banks have strengthened the credit system in Nigeria for a long time and the CBN introduced a Credit Bureau System many years ago. However, the Central Bank of Nigeria (CBN) issued a guideline in October 2008 that defines the licencing, operational and regulatory requirements for a privately owned credit bureau, thereby enhancing the availability of credit information to lenders.

Table 6.9: Protecting investors

Protecting investors															
Economy	DB2014				DB2013				DB2012						
	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)
Botswana	52	7	8	3	6	51	7	8	3	6	46	7	8	3	6
Brazil	80	5	8	3	5.3	80	5	8	3	5.3	79	6	7	3	5.3
Ghana	34	7	5	7	6.3	32	7	5	7	6.3	46	7	5	6	6
India	34	7	4	8	6.3	32	7	4	8	6.3	46	7	4	7	6
Indonesia	52	10	5	3	6	51	10	5	3	6	46	10	5	3	6
Nigeria	68	5	7	5	5.7	70	5	7	5	5.7	65	5	7	5	5.7
Malaysia	4	10	9	7	8.7	4	10	9	7	8.7	4	10	9	7	8.7
Singapore	2	10	9	9	9.3	2	10	9	9	9.3	2	10	9	9	9.3
South Africa	10	10	8	8	8	10	8	8	8	8	10	8	8	8	8
South Korea	52	7	4	7	6	51	7	4	7	6	79	7	2	7	5.3

Source: Doing Business database

Protecting investors: Protecting investors matters for the ability of companies to raise the capital they need to grow, innovate, diversify and compete. If the laws do not protect minority shareholders, investors may be reluctant to provide funding to companies through the purchase of shares unless they become the controlling shareholders. Effective regulations define related-party transactions precisely, promote clear and efficient disclosure requirements, require shareholders participation in major decisions of the company and set detailed standards of accountability for companies' insiders. Doing Business measures the strength of minority shareholders' protections against Directors'

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use of corporate assets for personal gain or self-dealing. The indicators that distinguish the three dimensions of investor protections are transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and minority shareholders' access to evidence before and during trial (ease of shareholder suits index). The ranking on The Strength of Investor Protection Index is the simple average of the percentile rankings on these three indices. The Nigeria economy has a score of 5.7 on the Strength of Investor Protection Index, where higher scores indicate stronger protections. It scored five regarding Extent of Disclosure and Ease of Director Liability.

Globally, Nigeria ranks 68 out of a total of 189 economies on the Strength of Investor Protection Index. While the indicator does not measure all aspects related to the protection of minority investors, a higher ranking does indicate that an economy's regulations offer stronger investor protections against self-dealing in the areas measured. Nigeria fares well on this metric but even at 68, its ranking is still the second lowest ranking amongst its comparators in 2014, second only to Brazil that ranked 80. While the most recent Doing Business data reflect how well regulations in Nigeria protect minority investors today, data over time show that no reforms have been carried out in this area in the five years to 2014. Economies with the strongest protections of minority investors from self-dealing require detailed disclosure and define clear duties for Directors. They also have well-functioning courts and up-to-date procedural rules that give minority shareholders the means to prove their cases and obtain a judgment within a reasonable time. As a result, reforms to strengthen investor protections may occur on different fronts—such as through new or amended company laws, security regulations or civil procedure rules.

Paying taxes: Taxes are essential as they fund public amenities, infrastructure and services that are crucial for a properly functioning economy. However, the level of tax rates need to be carefully chosen, and needless complexity in tax rules avoided. According to Doing Business data, in economies, where it is more difficult and costly to pay taxes, larger shares of economic activity end up in the informal sector where businesses pay no taxes at all.

Table 6.10: Paying Taxes Ranking

Paying taxes												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)	Rank	Procedure (number)	Time (days)	Costs (% of income per capita)
Botswana	47	34	152	0	48	34	152	0	22	19	152	19.4
Brazil	159	9	2600	0	160	9	2600	0	150	9	2600	67.1
Ghana	68	32	224	0	92	32	224	0	90	33	224	33.6
India	158	33	243	0	159	33	243	0	147	33	254	61.8
Indonesia	137	52	259	0	132	52	259	0	131	51	266	34.5
Nigeria	170	47	956	33.8	155	41	956	33.8	138	35	938	32.7
Malaysia	36	13	133	0	15	13	133	0	41	13	133	34
Singapore	5	5	82	0	5	5	82	0	4	5	84	27.1
South Africa	24	7	200	30.1	32	9	200	33.3	44	9	200	33.1
South Korea	25	10	187	0	29	10	207	0	38	12	225	29.1

Source: Doing Business database

Using a case scenario, *Doing Business* measures the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions. This case scenario uses a set of financial statements and assumptions about transactions made over the year. Information is also compiled on the frequency of filing and payments as well as time taken to comply with tax laws. The ranking on the ease of Paying Taxes is the simple average of the percentile rankings on its component indicators - number of annual payments, time and total tax rate, with a threshold, being applied to the total tax rate. The metrics here are daunting. On the average, firms make 47 tax payments a year, spend 956 hours a year filing, preparing and paying taxes and pay total taxes, amounting to 33.8% of profit in Nigeria. Globally, Nigeria stands at 170 in the ranking of 189 economies on the ease of Paying Taxes. One of the most serious challenges with taxes in Nigeria is multiple taxes at the federal, state and local governments such that a significant amount of time and resources are expended on obtaining assessments and making the payment for these taxes. Some of the taxes are paid monthly with a 13th month return also being required. Nigeria also fares very poorly compared with the comparator countries in Tables 6.10 and 6.11. Economies around the world have made paying taxes faster and

On the average, firms make 47 tax payments a year, spend 956 hours a year filing, preparing and paying taxes and pay total taxes, amounting to 33.8% of profit in Nigeria.

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Research shows that exporters in developing countries gain more from a 10% drop in their trading costs than from a similar reduction in the tariffs applied to their products in glob-

There have been numerous efforts made by successive ministers to streamline the processes at the port

al markets. Doing Business measures the time and cost (excluding tariffs and the time and cost for sea transport) associated with exporting and importing a standard shipment of goods by sea transport, and the number of documents necessary to complete the transaction. The indicators cover procedural requirements such as, documentation requirements and procedures at customs and other regulatory agencies, as well as at the port. They also cover trade logistics, including the

time and cost of inland transport to the largest business city. The ranking on the ease of Trading across Borders is the simple average of the percentile rankings on its component indicators - documents, time and cost to export and import. According to data collected by Doing Business, as is set out in Table 6.12, exporting a standard container of goods requires nine documents, takes 22 days and costs \$1,380 in Nigeria. Importing the same container of goods requires 13 documents, takes 33 days and costs \$1,695 (see the summary of procedures and documents at the end of this chapter for details).

Globally, Nigeria stands at 158 in the ranking of 189 economies on the Ease of Trading Across Borders. The indicators reported for Nigeria were based on a set of specific procedural requirements for trading a standard shipment of goods by ocean transport. Information on the procedures as well as the required documents and the time and cost to complete each procedure was collected from local freight forwarders, shipping lines, customs brokers, port officials and banks. The rankings for comparator economies and the regional average ranking provide other useful information for assessing how easy it is for a business in Nigeria to export and import goods. The ranking of Nigeria in this area has dropped from 149 in 2012, to 154 and 158 in 2013 and 2014 respectively.

The Nigerian system has more laid down procedures on this than any of the comparator economies and almost the longest number of days and cost as well. Importing and exporting is a very difficult business in Nigeria with a numerous array of often extremely corrupt agencies, including the Nigerian Customs Service and clearing agents who

However, all the efforts are usually rendered fruitless by those who put their pockets above the national interest.

deliberately slow down every step of the process in order to harvest corrupt pay off from hapless customers. There have been numerous efforts made by successive ministers to streamline the processes at the port both in terms of inspection of goods, reduction of the number of agencies at the ports or the computerisation of the processes for that matter. However, all the efforts are usually rendered fruitless by those who put their pockets above the national interest. In

economies around the world, trading across borders as measured by Doing Business has become faster and easier over the years. Governments have introduced tools to facilitate trade—including single windows, risk-based inspections and electronic data interchange systems. These changes have helped improve the trading environment and boost firms' international competitiveness.

Table 6.13: Summary of Procedures for Trading Across Borders in Nigeria

Indicator	Nigeria	Sub-Saharan Africa average	OECD high income average
Documents to export (number)	9	8	4
Time to export (days)	22	31	11
Cost to export (US\$ per container)	1,380	2,108	1,070
Documents to import (number)	13	9	4
Time to import	33	38	10
Cost to import (US\$ per Container)	1,695	2,793	1,090

Source: Doing Business database

Table 6.13 shows that Nigeria has twice the number of documents required and time needed for a typical containerised export compared to the OECD average and more than three times in terms of documents and time for a typical importation. Research shows that exporters in developing countries gain more from a 10% drop in their trading costs than from a similar reduction in the tariffs applied to their markets. In order to be competitive and expand economic growth, it is imperative that we reduce the bureaucratic processes, relating to import and export, make them more efficient and cost effective and fight the unbridled corruption that parades on all four legs at the port.

Enforcing contracts: Contracts are the foundation upon which a business transaction is carried out. Contracts can be implied or expressed, written or oral. Expressly written contracts are the norm in business. Whatever the form of contract, confidence in entering into transaction is boosted when the possibility of enforcement either by dispute resolution - when something goes wrong- or if the ultimate need for enforcement of the underlying consideration is high. An effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect economic rights. Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises, who may lack the resources to stay in business while awaiting the outcome of a long court dispute.

Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay.

Table 6.2: Enforcing Contract Ranking

Enforcing contracts												
Economy	DB2014				DB2013				DB2012			
	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita
Botswana	86	28	625	39.8	87	28	625	39.8	65	28	625	28.1
Brazil	121	44	731	16.5	121	44	731	16.5	118	45	731	16.5
Ghana	43	36	495	23	43	36	487	23	45	36	495	23
India	186	46	1420	39.6	186	46	1420	39.6	182	46	1420	39.6
Indonesia	147	40	498	139.4	146	40	498	139.4	156	40	570	122.7
Nigeria	136	40	447	92	98	40	457	32	97	40	457	32
Malaysia	30	29	425	29	29	29	425	27.5	31	29	425	27.5
Singapore	12	21	150	11	11	21	150	25.8	12	21	150	25.8
South Africa	80	29	600	82	82	29	600	33.2	81	29	600	33.2
South Korea	2	33	230	2	2	33	230	10.3	2	33	230	10.3

Source: Doing Business database

Doing Business measures the efficiency of the judicial system in resolving commercial disputes before local courts. Following the step-by-step evolution of a standardised case study, it collects data relating to the time, cost and procedural complexity of resolving a commercial lawsuit. The ranking on the Ease of Enforcing Contracts is the simple average of the percentile rankings on its component indicators which are procedures, time and cost. The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute.

How efficient is the process of resolving a commercial dispute through the courts in Nigeria? According to data collected by Doing Business, contract enforcement takes

That the ranking of Nigeria is so low is not surprising, given the adjournments that court cases go through in Nigeria for various reasons - both flimsy and substantive.

447 days, and requires 40 procedures. Globally, Nigeria stands at 136 in the ranking of 189 economies on the Ease of Enforcing Contracts. That the ranking of Nigeria is so low is not surprising, given the adjournments that court cases go through in the country for various reasons - both flimsy and substantive. The inability to determine a definite period for court cases makes people lose confidence in the system, with some resulting to self-help and jungle justice. The procedures, cost and duration to file, trial and

judgment and enforcement are unduly long in Nigeria. We should borrow a leaf from Singapore and South Korea or even Ghana and Botswana as we come closer home, as set out in Table 6.14. Economies in all regions have improved contract enforcement in recent years. The judiciary can be improved in different ways. Higher-income economies tend to look for ways to enhance efficiency by introducing new technology. Lower-income economies often work on reducing backlogs by introducing periodic reviews to clear inactive cases from the docket and by making procedures faster. Unfortunately, the judiciary has not made any reform in this area in the five years to 2014. But you notice something distressing in Table 6.14. Nigeria's ranking here has fallen from 97 in 2012 and 98 in 2013 to 136 in 2014 primarily because the cause of claims has changed from a little over 30% in 2012 and 2013 to 92% in 2014. This ugly situation needs to be reversed.

Resolving insolvency: A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in the speedy return of businesses to normal operation and increase returns to creditors. By improving the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses and thereby improve growth and sustainability in the overall economy.

Table 6.15: Resolving Insolvency/Closing Business

Resolving insolvency/Closing business													
Economy	DB2014				DB2013				DB2012				
	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	Rank	Procedure (number)	Time (days)	Costs (%) of income per capita	
Botswana	34	1.7	18	61.9	33	1.7	18	61.9	28	1.7	15	64.5	
Brazil	135	4	12	19.5	146	4	12	15.9	136	4	12	17.9	
Ghana	116	1.9	22	26.2	116	1.9	22	26.9	106	1.9	22	26	
India	121	4.3	9	25.6	119	4.3	9	26	128	7	9	20.1	
Indonesia	144	4.5	18	17.9	142	4.5	18	17.4	146	5.5	18	13.8	
Nigeria	107	2	22	27.9	105	2	22	28.2	99	2	22	28.2	
Malaysia	42	1.5	10	48.9	42	1.5	10	48.9	47	1.5	15	44.6	
Singapore	4	0.8	3	89.4	5	0.8	3	99.4	2	0.8	1	91.3	
South Africa	82	2	18	35.5	84	2	18	35.4	77	2	18	35.2	
South Korea	15	1.5	4	82.3	14	1.5	4	81.8	13	1.5	4	82.3	

Source: Doing Business database

Doing Business studies the time (in years, including adjournments), cost and outcome

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of insolvency proceedings, involving domestic entities. It does not measure insolvency proceedings of individuals and financial institutions. The data is derived from survey responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on bankruptcy systems.

The ranking on the Ease of Resolving Insolvency is based on the recovery rate, which is

A well-balanced bankruptcy system distinguishes companies that are financially distressed but economically viable, from inefficient companies that should be liquidated.

recorded as cents on the dollar recouped by creditors through reorganisation, liquidation or debt enforcement (foreclosure) proceedings. The recovery rate is a function of time, cost and other factors, such as lending rate and the likelihood of the company, continuing to operate. Speed, low costs and continuation of viable businesses characterise the top-performing economies. According to data collected by Doing Business, resolving insolvency takes two years on the average and costs 22% of the debtor's estate, with the most likely outcome being that the company will be sold piecemeal. The average recovery

rate is 27.9 cents on the dollar. Globally, Nigeria stands at 107 in the ranking of 189 economies on the Ease of Resolving Insolvency in 2014. Here, Nigeria fares better than India, Indonesia, Brazil and Ghana while Botswana, Singapore, South Korea, Malaysia and South Africa ranked better than Nigeria. Nevertheless, there is a lot of room for improvement. A well-balanced bankruptcy system distinguishes companies that are financially distressed but economically viable, from inefficient companies that should be liquidated. Nevertheless, in some insolvency systems, even viable businesses are liquidated. This is beginning to change. Many recent reforms of bankruptcy laws were aimed at helping more of the viable businesses to survive. No reform has been recorded in this area in the five years to 2014.

Glimmer of hope

In January 2014, the Nigeria Industrial Revolution Plan (NIRP) which was termed "National Roadmap For Real Industrialisation" was announced by the government through the Minister of Industry, Trade, and Investment. The NIRP made efforts to address some of the issues that have been discussed in this chapter. It is, therefore, necessary to exam-

It has always been a shocking and painful thing that the country imports what it has in abundance.

ine the highlights of this plan. The document made it clear from the onset that the government's main aim is to diversify the economy by addressing the fundamental issues, like infrastructural deficit, that hinder productive activities in the country. The goal is to move Nigeria beyond selling just raw materials, into more value-added manufacturing activities. It stated that the country can and must

produce what it consumes so that the economy reverses the trend of being import-dependent (and a jobs exporter) thereby increasing exports and in the process create more jobs. It emphasised the need to build on the country's competitive advantage and turn quantity advantage in population and factors of production, into productive advantage. It has always been a shocking and painful thing that the country imports what it has in abundance. That Nigeria imports petroleum products while its oil and gas downstream sector that was vibrant in the 1990s is in decay, beats the imagination.

Similarly, the country imports palm oil from Malaysia, whereas this same country got palm seedlings from Nigeria immediately after Independence, yet Nigeria's palm industry has not developed beyond where it was at Independence. The country is comfortable with importing expensive finished products made from raw materials that it exported at rock-bottom prices with little or no value added. The NIRP was crafted with this in mind. At the heart of the NIRP, is the need for competitiveness which is one of the key ingredients for economic growth that has been extensively discussed. This is the only way Nigerian manufacturing can thrive. It is very important not only to establish how to become competitive, but also to remain competitive, in order to attract an increasingly finite group of leading edge manufacturing investors globally. The Nigeria Industrial Revolution Plan (NIRP) is an initial five-year plan to rapidly build up industrial capacity and improve competitiveness in Nigeria. The plan identifies Industry groups where the country has comparative advantage. These are in the following sectors: Agro-Allied and Agro Processing, Metals and Solid Minerals Processing, Oil and Gas related Industries, Construction, Light Manufacturing, and Services.²⁹ The NIRP also addresses the numerous issues that have held back the Nigerian non-oil sector for years. It addresses the high cost of funding and lack of long term finance in Nigeria; it discusses how to build up industrial infrastructure and power for industry; how to provide industrial skills; it plans to link innovation and industry; it promises to improve the investment climate; strengthen product quality standards; and promote local patronage. It promises a bold leap to increased manufacturing from 4% of GDP, to over 10% by 2017, thus adding about N5 trillion to manufacturing annual revenues.

Industries can only succeed when they are competitive. The philosophy of the Nigeria Industrial Revolution Plan (NIRP), therefore, starts with the acknowledgement that Nigeria's industrialisation must be driven by long run competitiveness. Industries thrive locally, when they can compete globally. Industries need a competitive business environment to prosper, an environment where costs are low, regulation is streamlined, infrastructure is reliable, and government bureaucracy is minimised. The global competition centres majorly around capital, technology, credible sponsors, and skilled labour. These resources

²⁹ Nigeria Industrial Revolution Plan Page 5-6

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are finite and not in limitless quantity, as such Nigeria has to act with seriousness and build differentiating competitive advantages in areas where it already has some comparative advantage and strengths.

The vision of NIRP for industries in Nigeria, is to make them assume their rightful place as the dominant job-creating and income-generating sector over the next five years. The NIRP is also focused on ensuring that Nigeria becomes:

- a. The preferred manufacturing hub in West Africa;
- b. One of the two top manufacturing hubs in West Africa; and
- c. The preferred source for supplying low and medium-technology consumer and industrial goods domestically and regionally.

Globally, Nigeria is seeking to become a top 10 player in at least 10 key manufacturing categories within the next 5-10 years. The national policy aims to promote capacity expansions within existing Nigerian manufacturers, hasten their growth, and also bring in new investors into Nigeria.

The NIRP adopts the following guiding principles in promoting Nigeria's industrialisation:³⁰

- a. A focus on labour intensive low and medium technology manufacturing
- b. Building up core base industries that are essential for other more advanced industries to thrive later
- c. Using the large Nigerian market demand to deepen industrial capacity of local firms, as a first step, before going regional and global
- d. Strategically using key manufacturing sectors as technology drivers of the economy

The NIRP took time to review the Strength, Weaknesses, Opportunities and Threats (SWOT) of the Nigerian industries, some of which are discussed below.

Strengths:

1. **Abundant raw material:** Evidently, Nigeria has abundant raw materials. Nigeria has more than 44 confirmed solid minerals in commercial quantity. These include iron ore, tin, columbite, lead, zinc, gold, coal, petroleum, and uranium. In addition, industrial minerals such as clays, limestone, dolomite, barytes and glass-sand are in vast quantities within the country. Nigeria currently has the 12th largest iron ore reserves in the world, which can provide feedstock to a thriving steel industry. Nigeria is usually considered a gas country with a huge gas reserves of 187tcf giving

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it a ranking as the seventh largest globally. Nigeria also has oil reserves of about 37 billion barrels, the 10th largest in the world, which has made it an oil-producing country, rather than a gas-rich country which it rightly is. Beyond minerals, Nigeria's agricultural sector can also provide feedstock to feed a robust agro-allied industry. Over 90% of Nigeria's total land size of 923 million square kilometres is arable. Significant potential exists in the oil palm (as well as other oil seeds), cocoa, rubber, cotton, sugar cane, maize, rice, fruits, cattle and cassava, amongst many others. Although many of these raw materials are already produced in commercially sufficient quantities, a number of these feedstock and raw materials will still require higher production levels to support the minimum scale levels that will boost the industries.

2. **A potential large market:** With a total population of 167 million people, Nigeria ranks as the seventh most populated country in the world. The Nigerian consumer spends over US\$100 billion a year today, and this is expected to rise exponentially as living standards and purchasing power improve³¹. The World Bank forecasts that by 2050, Nigeria would have risen to become the fourth most populated country on the globe. The demographics are also advantageous as majority of Nigerians are youth with median age of 18 years, and 72% under the age of 30 years.
3. **Strategic location (Gulf of Guinea):** Nigeria is strategically located in the Gulf of Guinea with direct freight access to North America and Europe via the Atlantic Ocean. These developed markets (i.e. North America and Europe) have a combined GDP exceeding US\$30 trillion, which is almost half the global economy. Nigeria, therefore, has a "freight advantage" to supplying the richest markets in the world. Western countries provide the largest concentration of the global consumer class value), and are physically easier to reach, from the Gulf of Guinea, and from Nigeria. In addition to the North American and European Markets, Nigeria can also reach Latin America, Ecowas and Central Africa via its strategic location in the Gulf of Guinea and near the middle of Africa.
4. **Abundant labour:** Nigeria's labour force of over 69 million people is the largest in Africa, and ninth largest in the world. The availability of labour is a critical component of industrial and economic potential, which positions Nigeria as a leading candidate for industrial related investments. The development of requisite skills and worker productivity is, however, also critical to maximise the benefits of Nigeria's large working population, which the NIRP will address. Furthermore, compared to other developed and emerging markets, the costs and regulations related to hiring

The availability of labour is a critical component of industrial and economic potential, which positions Nigeria as a leading candidate for industrial related investments

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labour in Nigeria are competitive and generally, business-friendly.

5. **International political clout:** Nigeria holds significant political relevance in the region and on the international stage. The country's foreign policy has typically been characterised by the focus on Africa as a regional power, African unity and Independence, peaceful settlement of disputes, non-alignment, non-intentional interference in the internal affairs of other nations, and regional economic cooperation and development. Nigeria has maintained stability within the ECOWAS region, and built consensus and camaraderie in the broader African Community. The strong regional, continental, and international regard bestowed on Nigeria gives it leverage, which can be used to open new markets and seek bilateral and multilateral partnerships to promote industrial development and access new markets.

Weaknesses

1. **Infrastructure:** Supply of electric power and transport systems constitute a major constraint to productivity of manufacturing firms. Manufacturers have had to invest in infrastructural facilities. Currently, the cost of doing business in Nigeria is high mainly due to the constraining factors.
2. **Unaffordable finance:** Interest rates charged by Nigerian banks are relatively high when lending to the real sector. These lending rates are unsustainable to support meaningful industrial development. Furthermore, the tenures on available credit facilities are typically not provided over long enough maturities. Nigeria is, therefore, awash with expensive short-term credit facilities, which can only support trading

Nigeria is, therefore, awash with expensive short-term credit facilities, which can only support trading activities rather than manufacturing activities.

activities rather than manufacturing activities. The causes of high interest rates are multi-fold, including the relatively high inflation rates, high cost of operations in the country, and the level of government borrowing which crowds out private sector borrowing. The absence of alternative financing mediums to support companies at different points in their life cycle, further reduces the options that companies have to raise funds.

3. **Policy inconsistency:** Over the years, there has not been consistency in the application of Nigeria's industrial policies. On many occasions, agreed policies are not effectively executed, and in other cases, policy executions are not sustained. Industrialists have raised this as a key issue that makes it difficult to plan their investment programmes and commit to large capital expenditure (expansions or green field projects) which require sufficient visibility on government policy.

4. **Few or no Institutions to drive industrialisation:** Other countries have built their industrial sectors using strong government institutions as facilitators. As the drivers of industrialisation and the effects of globalisation become increasingly complex and intertwined, strong institutions are necessary to enshrine discipline, accelerate growth, and provide some direction for industries to develop. Strong institutions provide the long-run support needed to ensure policy decisions yield desired results, through consistency over long periods.

“Made in Nigeria goods” are not patronised enough by both the private and public sectors (i.e. all tiers of governments Federal, State, and Local).

5. **Consumer purchasing power:** Low purchasing power reduces the effective demand in the Nigerian market. A large segment of Nigeria’s 167 million population need more income to buy more manufactured products (both raw and processed). The relatively low purchasing power means more Nigerians still spend a disproportionate amount of their income on food products. The official Consumer Pricing Index (CPI) measured by the National Bureau of Statistics (NBS) currently estimates that 52% of the average household’s consumption basket is constituted of Foods and Non-Alcoholic Beverages (these typically dominate the CPI basket when income is low)³². The NIRP’s expansion of the manufacturing sector is therefore a key to creating jobs, increasing wages, and ultimately leading to higher purchasing power. It is envisaged that tighter monetary and fiscal policies will checkmate inflation and keep living costs under control, which can also enhance purchasing power.

The Nigerian government must leverage its public sector spending to encourage local industry, while also ensuring that the country complies with its international trade obligations. The private sector should be encouraged to support local production by buying locally produced goods where possible.

Low patronage of ‘Made in Nigeria’ goods: “Made in Nigeria goods” are not patronised enough by both the private and public sectors (i.e. all tiers of governments Federal, State, and Local). Existing government laws and policies on leveraging public procurement to drive industry will need to be enforced. Everywhere in the world, public procurement is strategically used to promote industrialisation in select sectors (e.g. U.S defense spending in the aeronautic industry; European Union spending on Alternative Energy and Agribusiness). The Nigerian government must leverage its public sector

³² Nigeria Industrial Revolution Plan Page 18

spending to encourage local industry, while also ensuring that the country complies with its international trade obligations. In addition, the private sector should be encouraged to support local production by buying locally produced goods where possible.

6. Low Industrial Skills and Innovation: In Nigeria, like most developing countries,

For many consumers, the “Made in Nigeria” brand gives the perception that a product is automatically without the desired quality. A lot of effort is needed to correct the misperception.

there are challenges with respect to skill availability in the industrial sector. Despite the fact that youth unemployment already poses serious concerns, it is striking that many industrialists are unable to fill vacant positions because of a dearth of skills. Over a million Nigerian Youths graduate from various tertiary institutions every year, which provides a huge supply of potential “trainable” talent. If skills of workers do not match needs of the industry, unemployment rises, which has been the situation in Nigeria. Lack of reliable and timely information on the labour market adds to the rigidity of the market. Often, small firms are financially and

technically not capable of providing in-firm skills development in the same way that large-scale firms can. Many Technical and Vocational Education and Training (TVET) institutes are not focused on meeting the needs of industries. In this regard, the NIRP targets addressing three gaps to meet its industrial skill needs (i) Policy gap - multiplicity of public and private sector operators with programmes that do not appropriately reflect the real situations of the labour market or the industry’s needs. (ii) Relevance gap - contents of skills development that do not meet labour market needs or the skills requirement of the industry (e.g. due to obsolete curriculum, old technology etc.) (iii) Financing gap - budgetary constraints that make it difficult to allocate more resources to skills development in the public and private sectors.

7. Inadequate metrology and standards: Product standards and quality are essential

Counterfeiting and abundance of substandard goods have been a challenge, making it difficult for many manufacturers to safeguard their value-chains and prevent financial leakages.

to accessing markets, protecting consumers, and ensuring loyalty of buyers. For many consumers, the “Made in Nigeria” brand gives the perception that a product is automatically without the desired quality. A lot of effort is needed to correct the misperception. Nigerian firms however, also need to improve on their product and process standards in a number of areas. For instance, the standards of distribution channels in simple areas like product packaging need to be strengthened. Counterfeiting and abundance of substandard goods have been a challenge, making it difficult for many manufacturers to safeguard their value-chains and prevent

financial leakages. Issues related to low product standards are not just peculiar to

locally manufactured products, but also to imported products into the country. In addition, the existing metrological and measurement standards in Nigeria have not been adequately codified.

With the above weaknesses in mind, the NIRP set the following goals, which are to:

- Reduce the costs of infrastructure to Nigerian businesses (i.e. power costs and transport costs)
- Provide reliable levels of infrastructural support to Nigerian manufacturing plants.
- Develop general purpose and specialised industrial cities in strategic locations of the country, along existing rail lines (or transport corridors) and existing (or proposed gas pipelines).
- Develop smaller sized industrial parks and clusters built around endowments and existing assets of States and local governments.
- Establish or assign institutions to continue the development and operations of manufacturing hubs all over Nigeria.
- Prioritise access to power for key industrial clusters and centres.

The NIRP has been crafted as the centre of the following developmental plans that are being pursued by the 'Jonathan administration' in its transformation agenda as is set out in Figure 6.3 below:

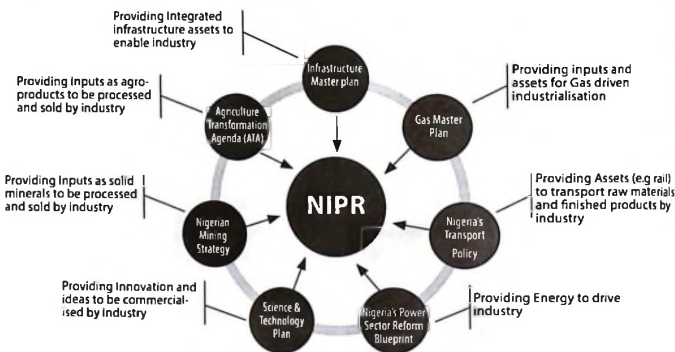
PLAN	DETAILS
1. Vision 2020	National Planning
2. Transformation Agenda	Presidency
3. Infrastructure Master plan	Providing integrated infrastructure assets to enable industry
4. Nigeria's Transport Policy	Providing Assets (e.g. rail) to transport raw materials and finished products by industry
5. Nigeria's Power Sector Reform Blueprint	Providing Energy to drive industry
6. Science and Technology Plan	Providing Innovation and ideas to be commercialised by industry
7. Agriculture Transformation Agenda (ATA)	Providing inputs as agro-products to be processed and sold by industry
8. Nigerian Mining Strategy	Providing inputs as solid minerals to be processed and sold by industry
9. Gas Master Plan	Providing inputs and assets for Gas driven industrialisation

The various agencies have all launched the above plans and are working hard at ensuring that the plans are realised. This gives the clearest indication that the NIRP is well thought out and is being implemented with vigour. Activities comprehen-

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sively mapped out to achieve the objectives on a quarterly basis have already been streamlined making it possible to follow and hold government accountable for the realisation or none of it.

Figure 6.3: The NIRP's central role to other development plans in Nigeria



With the full realisation that the investment climate determines the ease and costs of doing business in any country which consequently determines the reasons an investor would choose to invest in one country over another, NIRP has set out programmes to improve the investment climate in Nigeria. Investment climate pertains to the ease, time, and predictability of operating a business in the country. The Doing Business Technical committee and Investment Care Committee (of the Nigerian Investment Promotion Commission NIPC) have been set up to facilitate regulatory and procedural reforms for the business environment. In addition, the National Competitiveness Council of Nigeria (NCCN), has been created to provide a private sector platform for promoting initiatives to improve national productivity and competitiveness. NIRP has also initiated a national investment policy review with the Organisation for Economic Cooperation and Development (OECD). The OECD review is a gap analysis of Nigeria's practices in investment policy, investment promotion and facilitation, trade policy, competition policy, and corporate governance. A complete review of laws and regulations hindering investments is also ongoing with the U.K's Department for International Development (DFID). Activities on investment climate will be guided by indicators within the World Bank

Nigeria needs to ensure that specific polices are put in place and adopted by the government (to improve the Investment Climate).

Doing Business survey (the primary benchmark) and the World Economic Forum Competitiveness Indicators.

The benchmarks to be used are the World Bank Ease of Doing Business indicators and the World Economic Forum Global Competitiveness Rankings (the practicality and usefulness of both have been extensively discussed in this book). These indicators will be used as reference points to evaluate broad aspects of Nigeria's Investment Climate Reforms. Nigeria needs to ensure that specific policies are put in place and adopted by the government (to improve the Investment Climate). These policies need to be properly and adequately implemented by relevant agencies. The performance of implementing agencies need to be objectively and transparently reported to Nigerian decision makers, to ensure that the results of key policy decisions are clear and unambiguous.

Aligning federal government Investment Climate policies, with state level and local government policies is also of great importance. While the federal government sets broad direction on national Investment Climate policies, state and local governments are supposed to contribute their quota by making the local environment conducive for business. This is a very smart move as the investment climate needs to be improved for progress to be made. NIRP, however, went on to argue that the indicators in these two benchmarks are not perfect calibrations of the Investment Climate, but nevertheless provide a framework to plan NIRP's efforts. The NIRP will use the indicators to guide parts of its Investment Climate reforms. To this end, a Doing Business Committee was set up. The Doing Business Committee is entirely in the public sector and was set up to address regulatory, policy, and legal roadblocks. It will receive ideas and recommendations from industries on specific practices or policies, affecting the private sector. It is a government inter-agency committee with the responsibility to review issues, relating to regulatory and policy constraints on the business environment.

The Doing Business Committee will have a Technical Committee which evaluates regulatory details and their impact on businesses. The Doing Business Committee will facilitate changes as needed, through government channels. The NIRP, in choosing how to measure the success of their efforts, again leverages on the two benchmarks but went on to state that indicators of the World Bank Ease of Doing Business rankings are more operational and can be changed in the short to medium term with specific regulatory, administrative, or legal changes. The NIRP stated that "It should be noted that these international benchmarks on Investment Climate and Competitiveness can only serve as broad outlines to organise our Investment Climate

**When one is lost,
finding the way is what
matters and not who
showed you the way.**

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reforms. These benchmarks cannot serve as the source to validate Nigeria's efforts on reform. The true measure of success will come from the real companies and people in Nigeria who do business, and our ability to improve their operations, make their lives better, enshrine more confidence, and provide conditions that help them grow their businesses"³³. This amounts to the statement that the taste of the pudding is in the eating, which is true. Again, the government should be commended for taking a comprehensive view in terms of the challenges that confront the country in its quest for economic growth and industrialisation and the very practical approach that it has taken to validate the potential outcomes. However, it is fruitless not to anchor the creation of an investor friendly climate within the World Bank Ease of Doing Business indicators and the World Economic Forum Global Competitiveness rankings and principles. There is ample research and actual evidence that countries that have aligned their policies within these principles have become more economically free and have actually grown economically faster than those who have not. It is very typical of Nigerian public servants to be critical of foreign economic benchmarks about Nigeria and look upon them with disdain. When one is lost, finding the way is what matters and not who showed you the way.

Besides, what is important is getting the right results rather than the ownership of the principles applied. The above benchmarks are mere sign posts to guide countries to move in the right direction. There is no need to unnecessarily re-invent the wheel in order to move forward. The SAP was looked at as an International Monetary Fund (IMF) bitter pill, which the government was forced to swallow, yet it has turned out the most profound

The present political structure of Nigeria is wasteful and as has been said all along, cannot support thrift and good housekeeping while encouraging greed and corruption.

economic engineering that has given the country the modest economic freedom and gains that it has recorded to date. If the SAP as propounded by the IMF was completely and correctly implemented, the economic landscape of Nigeria would have been significantly and positively different from what it is today. It is generally recognised that economics is but only an aspect of the complex and intricate processes that characterise society. The strength of a national economy is inextricably linked to or affected by other activities taking place in other facets of society, even when some of these may, on the surface, appear to bear no

direct or indirect influence on economics. It is, therefore, correct to state that the successful implementation of the NIRP will be hinged on simultaneous improvement or introduction of some other key non-economic variables. The ingredients of the NIRP are only hygiene factors. If they are incorrectly pursued, we are blighted, but even if they

are, in and of themselves adequate for the economic situation to be transformed, it is still imperative that we do more in other areas. The present political structure of Nigeria is wasteful and as has been said all along, cannot support thrift and good housekeeping while encouraging greed and corruption. It is, therefore, necessary to look at how the country found itself saddled with a burdensome political structure and what can be done about it particularly as the economics of a nation is only as good as the country's politics.

PART

3

The quest for justice, equity and peace

“

The multiplicity of states has only succeeded in increasing the cost of government with more and more resources of government devoted to recurrent expenditure to pay salaries and meet administrative overheads. This in turn implies that with less and less to spend on the people, human development index has dimmed negatively.It is imperative that the country be freed from the clutches of political and social retrogression, which in themselves have now snowballed into economic retardation of the people and a rise of brother against brother in an unprecedented manner.

”



Chapter 7 traces the political history of Nigeria and argues that the current arrangement is burdensome, wasteful and cannot support thrift and good housekeeping. Most importantly, the cost of governance and that of running the civil service must be reduced if the “tail is not to continuously wag the dog”.

Chapter 8 benchmarks Nigeria with the comparator nations in terms of governance, voice accountability, political stability, government effectiveness, regulatory quality and control of corruption. Despite the fact that over 80% of the national budget is gulped by government, Nigeria ranks poorly, an indication that the Nigerian tax payer is not getting value for money and is in fact being short-changed and his future mortgaged. These challenges, it is argued, are resultant from the structural defects that need to be addressed if progress is to be made economically and politically.

Chapter 9 discusses corruption and labels the cankerworm as the deadly venom resulting from the cumulative effect of the structural defects and the ineffectiveness of governance, which have permitted the elite conspiracy to take out of the system by crook or hook far more than they have put into it. Transparency International’s Global Corruption Perception Index continues to rank Nigeria low. Political and administrative corruption are pervasive and will be demolished only by strategic action well above hope which in and of itself is not a strategy.

Chapter 10 takes a deep look at all the challenges facing Nigeria and concludes that the country is neither a failed or failing state. It, however, argues that urgent action is required to rescue the nation from insecurity, demographic pressure, disrespect for rule of law and other vices that are fostered on the nation, to ensure peace, unity and harmony which are vital ingredients to economic and political stability and growth.



CHAPTER SEVEN

Grappling with structural defects

There is wisdom in learning from the mistakes of the past, and courage in the ability to undertake corrections even if it brings pains in order to save the future.

- Most Revd Peter J. Akinola

- Struggling with structure building
- The binding glue
- Controversial style
- Imbalances and doubts
- Contentious documents
- Paradise won and lost
- A problem compounded
- A retrogressive war
- Post war patchwork
- Forging ahead

Struggling with structure building

The difficulty in forging a united nation since the country attained Independence in 1960 has continued to cast doubts on the viability of the Nigerian project. By the end of 2014, she would have effectively closed the chapter on the much celebrated centenary anniversary as a nation, yet the struggle with the obstacles of nation-building has overshadowed every other thing, particularly as the challenges have grossly retarded meaningful economic, political and social development of the nation. Of course, the country had so much hope and promise at Independence in 1960, such that it is apt to wonder why things have gone so bad. Bad enough, all the nine comparator nations with whom the country started the journey of nation-building at Independence, on the same level, with similar afflictions and difficulties, have virtually stabilised and developed politically, socially and economically. Many of these countries have shaken off the stigma of mass poverty, illiteracy and underdevelopment that afflicted them, to join the club of First World nations, while

The country had so much hope and promise at Independence in 1960, such that it is apt to wonder why things have gone so bad.

those that have not quite attained that status are not far away from it. As already extensively pointed out, nothing seems to be working in Nigeria; development indicators in Nigeria in all aspects of life, from politics and governance, economic development, to the state of the nation, have remained alarmingly negative and are painfully still declining. Most unnerving, the country is frighteningly disunited and is fighting battles on all fronts – politically, economically, socially etc. The nation and its people have been taken over by ethnic bigotry, militia groups, religious hatred, violent crimes and a do or die rivalry for power at the centre. Too many of the country's debilitating problems have to do with the defective structure under which it currently operates. Unfortunately, while some people are convinced about this fact and the damage that it is doing to the nation, it appears that the vast majority of the people are in a state of denial about this. Consequently, it is very difficult to build the much needed consensus to properly focus on the issues and effect the much desired change. Therefore, the extent to which this structural defect actually exists and its impact on the deplorable development indicators highlighted in earlier chapters is worth analysing. The knowledge of a problem is the starting point, more important is to proffer solutions as a step forward, and getting people to take action is the ultimate.

Currently, Nigeria operates a three-tier structure - the Federal, State and Local Governments as against the three regional structures which the British colonial masters bequeathed to the nation at Independence. Those, who hold the view that the political structure that the country is operating is faulty, aver that a house built on a weak structure will neither give joy to its occupants nor provide safety. In their view, the wobbling, fumbling and stumbling that the country has experienced is the result of the absolutely faulty political structure it operates. Nigeria constitutionally is a federal state, but effectively operates a unitary government. Nigeria's 36 States and 774 Local Governments cannot stand up to the big, rich and all powerful federal government. The government at the centre is powerful and overbearing, whilst the States and the Local Governments are weak and over-dependent on the all-powerful centre. A consequence of this is the current do or die politics, in which people maim and kill in the effort to occupy political positions at the centre. Godfathers are consulted and vast amounts of resources are invested in this effort. The perceived faulty political structures create what people call "feeding-bottle federalism" of very weak federating units where only one or two states are viable without the monthly federal allocation from the centre (Abuja, the Federal Capital). This has created an undue focus on the sharing the national cake rather than joining hands together to bake a bigger cake that would better go round and leave a surplus for tomorrow.

It is on record that Nigeria made the most progress in the pre-civil war years after Independence up to 1967 during the period that it operated a parliamentary system under four regions.

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It has created a situation where people now work very hard to ensure that they get significant sums out of the national treasury by hook or crook while contributing nothing into it. It is on record that Nigeria made the most progress in the pre-civil war years after Independence precisely up to 1967 during the period that it operated a parliamentary system under four regions. To start with, the cost of operating the current presidential system at all levels of government - the Federal, 36 states and 774 local governments - is prohibitively high, raising the fears that Nigeria cannot develop politically and economically under and within it. It has already been shown that over 76% of the federal budget is expended on recurrent expenditure, which takes care of the government alone, leaving little or nothing for development. Besides, the winner takes all outcome of the presidential system is alien to the African culture of communal congregationalism.

The presidential system does not create the required accountability necessary for a developing and evolving system to flourish. Advocates of the parliamentary system of government argue that they cherish the Parliamentary Prime Minister Question Time (PMQs) with relish, not to talk of the transparency, accountability and information dissemination that arises from being able to put the prime minister on the dock before his colleagues, the opposition, friends and foes, week in week out. It is not by accident that countries like India, Malaysia, Ghana, and Singapore, among others, all on the list of Nigeria's comparators still practice parliamentary democracy, which was adopted at their Independence. Unlike the situation in the First Republic when the regions operated at very high levels, becoming highly productive, efficient and thriving in all they did while being competitive and development-oriented, most of today's states are not only unviable, dependent only on the centre for revenue allocation, they are also inefficient and wasteful. In many of the states, there is hardly any form of meaningful development going on. At the local government level in some states, offices rarely open, except to receive monthly allocations of funds from the centre, which are immediately shared among principal actors - party chieftains and phony contractors - after which they disperse to await the next allocation.

Government activities are carried out in the homes of council chairmen, who operate as if the government and government resources are extensions of their private estates. Analysts have, in the light of the above, dubbed the current structural arrangement defective and called for a complete overhaul of the system or departure from it in its entirety. To others still, the structure is not completely to blame. Such people cite many other countries where the same structure is in place and is operating well to the satisfaction of the people.

Unless the nation properly tackles the underlying issues of power sharing, resource control, equal rights and accountability, the country will continue to grow economically without development

The challenge, according to them, is that there seems to be some reluctance to fully and properly apply the principles of federalism, which in their opinion, is the cause of the retardation of the much desired progress. Federalism has become a universal doctrine seen as appropriate for countries like Nigeria with huge ethno-cultural diversities. With nearly 300 ethnic groups of between 250-400 languages, making up the country, Nigeria, like most of her comparators, inherited from Britain at Independence in 1960, a parliamentary system of government built on a federal structure. Successive governments since then have attempted with relative success to operate federal institutions that can accommodate the country's ethnic, cultural, religious and linguistic diversities and forge a sense of national unity. That has proved an impossible task making it difficult in the last 54 years for the nation's governments to fulfil their obligations of good governance anchored on equitable political arrangements, transparent administrative practices and public conduct. Failure, in fact, to encourage genuine power sharing has precipitated dangerous rivalries between the central government and other tiers of the federating units over how best to share the revenues accruing to the federation.

The defective federal structure promotes a fierce struggle among interests groups, angling to capture the state and its attendant wealth. This do or die quest to gain control of the nation's treasury and resources at all cost has led to politicians exploiting and exacerbating inter-communal tensions for selfish reasons which has in turn given rise to the emergence of violent ethnic militia groups. Increasingly, communities across the country are feeling marginalised and alienated from the Nigerian state and observers submit that the deeply flawed federal system constitutes a grave threat to national integration, stability and development, warning that unless the nation properly tackles the underlying issues of power sharing, resource control, equal rights and accountability, the country will continue to grow economically without development and the series of crisis plaguing it may not only linger, but could in fact take a more dangerous dimension.

When will the quest for justice, equity and peace, growth and development end for Nigeria as a nation, such that all Nigerians, where ever they may be, and whatever their social status or religious persuasion would imbibe a true sense of belonging? A local proverb says that, "it is important to remember when and where the rain began falling on you so as to establish how long you have lost speed or taken shelter in your journey". In the spirit of this proverbial fact, it is worth tracing how the country got to this sorry state and why it migrated from the regional and parliamentary system to the presidential system, with smaller units as states rather than the much larger regions as federating units. The challenges, which the nation was responding to, that led to this migration, need to be examined. Most importantly, it is necessary to review whether or not the current system is resolving or compounding these challenges.

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Let us start from the amalgamation of the Southern and Northern Protectorates by the colonialists in 1914, which made Nigeria one nation and briefly trace the structural and political footsteps up to the present civil rule that began on 29th May, 1999. The serious challenges that the country face with underdevelopment, poverty, unemployment and inequality, underlined by the concerted complaints of marginalisation, are indicative that the country has not succeeded even after many conferences, summits and dialogue, in an attempt to address the 'defective' structure, which has created challenges for nation-building and bottlenecks that have made it difficult for it to develop and flourish.

The binding glue

The first British attempt to set up a formal government in Nigeria was in 1861 when Lagos was annexed. By this move, the British Government took control of trade around Lagos and the administration of Lagos Colony. The Royal Niger Company had extended trade through the Niger Delta, up to the River Niger. The Berlin conference of 1885, therefore, recognised a special British interest and sphere of influence in the Niger area. In 1900, the Charter of the Royal Niger Company was revoked, and all the territories which it had administered, were taken over by the crown. As a result of this, and the signing of various treaties of trade and protection with the Yoruba chiefs and Northern emirs, three Separate territories -- the Colony of Lagos, the Protectorate of Southern Nigeria and the Protectorate of Northern Nigeria-- were administered by the British from 1900.

In 1900, Britain had six dependencies on the West Coast of Africa – Gambia, Sierra Leone and the Gold Coast – and three in Nigeria – Lagos Colony, the Southern Nigeria Protectorate (formed from the Niger Coast Protectorate in 1900) and the Protectorate of Northern Nigeria. The original idea was to administer all of them together. But this could only be achieved for some time because of the vast distances separating them. Apart from the problem of distance, there was that of personality among the early rulers. For example, contiguous colonies (territories) like Lagos and Southern and Northern Nigeria could not be amalgamated for a long time. The decision to amalgamate them was influenced by financial considerations. Each of the four British territories in the present day Nigeria was divided into colonies and protectorates. People living in the colonies were regarded as British subjects with rights and duties, whilst those in the protectorates were regarded only as protected persons. Except for financial considerations, some of the territories were grouped together for administrative purposes; it was not possible to achieve amalgamation as the French did. In British West Africa, the problems confronting early colonial administrators were great. The conquerors had very little knowledge of the land, the people and their culture. Sir Frederick (who later became Lord Lugard), conquered Northern Nigeria between 1900 and 1906. Before long, indirect rule became the practice by which an imperial power administered a foreign population by ruling through the traditional leaders and preserving and utilising indigenous institutions. The

technique was an old one and was employed by the British in India and the Orient, long before it was introduced to Africa. It was popularised in Northern Nigeria by Lugard as an obvious solution to practical problems. Alien laws and justice were politically impractical and financially impossible in the North and as such for Lugard to impose British bureaucracy, something creative needed to be done. Lugard, therefore, retained the existing political and social institutions by which the Fulani Emirs had ruled their Hausa subjects. The success of indirect rule in Northern Nigeria transformed what was originally a practically expedient solution into a well-developed theory of governing alien people which Lugard popularised in the "Dual Mandate".

The attempt to create one country of Nigeria by British colonial masters started in 1906 when the Colony and Protectorate of Lagos and Southern Nigeria were amalgamated into the colony and protectorate of Southern Nigeria. A governor was appointed for this protectorate and three provinces: Western, Eastern and Central provinces were formed. Southern Nigeria was now placed under a single Administration. Northern and Southern Nigeria were amalgamated under one Administration in 1914 and named the Colony and Protectorate of Nigeria. Lord Lugard became the first Governor - General of the country. Despite this final amalgamation of 1914, the administrative individuality of the former separate territories was maintained. Moreover, the amalgamated protectorate of 1914 was divided into two groups of provinces (Northern and Southern) which corresponded identically with the former separate protectorates. Each of these two groups of provinces was administered by a separate lieutenant governor, later Chief Commissioners, reporting directly to the Governor- General. Certain factors made the unification of 1914 imperative.

Before 1914, the North could not find sufficient funds to maintain its administration in spite of the annual grants from the imperial treasury and from the Southern administration. The resources of the South, and the contact which it had with European traders and missionaries, made its economic development faster than that of the North. There was, therefore, need for steady common revenue to be spent for the interest of Nigeria as a single and indivisible country. Amalgamation made it possible for the government to use the increasing revenue of the South, supplemented by the revenue of the North, to administer the whole country. Furthermore, amalgamation was necessary to make the task of administration uniform and easy. Lord Lugard instituted the system of Native Administration or indirect rule in the North which was working very well. He believed that amalgamation would

The full amalgamation of Southern and Northern Nigeria fostered a huge nation on the country: a nation well-endowed with every resource possible and destined to emerge as a top nation in a record time

make it easier for him to use that same system in administering the whole country.

The full amalgamation of Southern and Northern Nigeria fostered a huge nation on

The process of unifying the various peoples of the country for the purpose of achieving the amalgamation exercise had begun long before 1914, when the Oil Rivers Protectorate merged with some other conquered areas around the place to form the Niger Coast Protectorate in 1893.

the country; a nation well-endowed with every resource possible and destined to emerge as a top nation state in a record time. The huge size of the new nation was overwhelming as was the population, making it the most populous black nation on earth. Notwithstanding all these, the new nation in January 1914 on the amalgamation of the Southern and Northern Protectorates, had all the trappings of a promising nation with a very bright future. Given the fact that these hopes remain largely unrealised, many have come to doubt and question the process of the 1914 amalgamation. Such people have also argued that unifying a vast number of nationalities with very vast separate

territories, history, politics, independence and diversity was never going to work, and are, therefore, not surprised that it has not worked in the so many years of amalgamation. This is much more so as the opinion of these ethnic nationalities regarding the amalgamation was not sought when the unification was carried out to the convenience of the colonial masters rather than that of the ethnic nationalities. This is a case of the proverbial shaving of one's head by force, perhaps when he is asleep, which no adult would cherish at the time he wakes up.

The process of unifying the various peoples of the country for the purpose of achieving the amalgamation exercise had begun long before 1914, when the Oil Rivers Protectorate merged with some other conquered areas around the place to form the Niger Coast Protectorate in 1893. The Bini kingdom followed next in 1897 when it was joined with the Niger Coast Protectorate, which itself was eventually amalgamated with the chartered territories of the Royal Niger Company, majorly the South Eastern parts, to form the Southern Protectorate in 1900. While in 1906, the Lagos colony, then administered separately, was amalgamated with the Southern protectorate in the final programme for the amalgamation exercise of Northern and Southern Nigeria. The colonialists had embarked on the conquest and annexation of the various territories to subjugate them to their control and authority. The coastal area of Lagos and its hinterlands were conquered and colonised between 1861 and 1897. The conquest of the eastern region and the declaration of the Niger Coast Protectorate occurred in 1894 while the declaration of a protectorate over the Northern areas occurred in 1900. There was no formal discussion or consultation with the people, so their consent was not obtained before the southern states were amalgamated. The logic in forcefully bringing those southern territories

together was obvious. The British needed all of these territories, which were loosely independent of one and another, to come together under one territory, which is today's southern Nigeria, to make easy her task of integrating the South and the North into one whole that crystallised into the Nigerian nation.

But what would have motivated the British into forming such diverse and multi-linguist people into a country? Was it meant to be a temporary union or was it deliberately conceived or programmed to ultimately fail? This is a question that historians and political pundits have been grappling with for decades as the nation stumbles. Many reasons have been advanced for the British action. The most trumpeted, as many have reasoned, is that the British saw economic benefit in the unification. The country's land mass was seen to hold many natural resources which were to be exploited for the economic interest of Britain. To a large extent, this was true as Europe and Britain in particular did not embark on the colonisation exercise until

The way Lugard carried on further gave impetus to the long held view that the main reason for Britain's foray into Africa and by extension the amalgamation of southern and northern Nigeria, was mainly for the economic interest of Britain.

after the abolition of slave trade and they required another revenue-yielding source to replace the moribund human trafficking trade. There is also the deliberate construction of rail lines to link the commercial centres of the country and the sea ports to cart away unprocessed cash crops and mineral resources to provide raw materials for British industries. Lord Frederick Lugard, the British Administrator, who superintended the amalgamation of southern and northern Nigeria, was to the British, a model colonial administrator. The diplomat cum army trained officer, worked with the Royal Niger Company in 1894 and such other British companies as British West Charterland Company, and the Royal East African Company, all known to only go into ventures for profit-making. The corporations extended the same attitude to these British colonies.

In his first six-year tenure in Nigeria as High Commissioner, Lugard, who was bestowed with an Order of the British Empire in 1901, was pre-occupied with transforming the commercial sphere of influence inherited from the Royal Niger Company into a viable territorial unit under effective British political control. His aim was to conquer the entire region and to obtain recognition of the British Protectorate by its indigenous rulers, especially the Fulani emirs of the Sokoto Caliphate. Lugard embarked on series of campaigns to systematically subdue local resistance, using force where diplomatic measures failed. Borno surrendered without a fight but that was not the same with Kano and Sokoto. In 1903, the Royal West Africa Frontier Force (RWAFF) attacked Kano and Sokoto. Clear-cut military onslaught and total defeat, in Lugard's view, were necessary to make the people surrender and stem resistance elsewhere.

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The way Lugard carried on further gave impetus to the long held view that the main reason for Britain's foray into Africa and by extension the amalgamation of southern and northern Nigeria, was mainly for the economic interest of Britain. The order-in-council finally came into force in January 1914 and the country was brought under a central administrative system for the first time with Sir Frederick Lugard as Governor-General, representing the King of England. Britain had an easy entry into northern Nigeria which was made possible by the quick success of the annexation of the area through Lugard's policy of indirect rule; a system of governing the protectorate through traditional rulers defeated and subdued by the British. The British dangled a carrot before the emirs; they were to confirm them in office if they accepted their authority, abandoned slave trade, and cooperated with their officials to modernise their administrations. Once considered submissive enough, they were made to retain their caliphate titles but responsible to British district officers, who had the final authority. The British High Commissioners had the power to depose an emir and other officials where necessary.

From January 1914, the newly unified colony and protectorate was presided over by a pro-consul, addressed as Governor General of Nigeria. For the first time, the colonialists extended the principle of indirect rule administered through traditional rulers throughout the country, where colonial officers were to sparsely interfere. The indirect rule

The indirect rule system was a system of administration which was based on the use of traditional authorities by the British officials. The system allowed the Emirs and chiefs to govern their territories in accordance with their own laws and customs under the supervision of British officers.

system was a system of administration which was based on the use of traditional authorities by the British officials. The system allowed the Emirs and chiefs to govern their territories in accordance with their own laws and customs under the supervision of British officers. These officers acted as advisers to the emirs and restrained their excesses. Whenever native customs conflicted with the laws of British indirect rule as conceived by Lord Lugard, the indirect rule prevailed. This led to a dynamic system of local government - the indigenous political institutions, under the guidance of the resident European political officer, continually developing into more efficient units of administration, responding to and adapting themselves to the new situation created by colonial rule.

Indirect rule was inspired by the belief that the European and the African were culturally distinct and that the institutions of government most suited to the latter were those which he had devised himself.

Therefore, the European colonial powers should govern their African subjects through the Africans' own political institutions. The use of indigenous political institutions for the purposes of local government was contingent on certain modification to these

institutions. Some of the aspects of the traditional government that were repugnant to European ideas of what constituted government, and those that by design would be obstructive to the achievement of the main purpose of colonial rule, which was the exploitation of the colonised country, were modified as were deemed necessary. The British had been hesitant about taking possession of large territories which would be expensive to administer. It was in a bid to avoid this expense that the British earlier asked the chartered companies to administer the territories. Now that a formal annexation had taken place, it had become necessary for some administrative structure to be established. The British also had problems with finding sufficient personnel for direct administration. Lugard further reasoned that even if the sufficient number of British officers needed were available, the funds to pay the salaries of the administrators were not sufficiently available, considering the British Government's reluctance to get itself highly involved in running British colonies. The indirect rule system was, therefore, introduced to meet the needs of the European administrators who arrived in Nigeria after the conquest of the country.

It was in Northern Nigeria that the indirect rule system was first given a trial by Lord Lugard, following the declaration of the protectorate in 1900. The system was successful in the North for the following reasons:

1. The existence of a fairly stable and centralised political organisation. This provided for a traditional ruler (Shehu or paramount chief) who was generally obeyed and respected.
2. The existence of Native treasuries which operated revenue and expenditure. This was preserved and improved upon by the indirect rule system.
3. The existence of traditional or Native courts which the British preserved and strengthened. These courts were presided over by trained judicial officials in accordance with the tenets of Islam.
4. The existence of traditional native council in each emirate which the British used effectively.
5. As structures for such administration already existed, the system was not strange to the few elites in the North who, therefore, did not challenge it. The indirect rule rode on the back of the old system as new native authorities.
6. The native authorities chosen by British officers such as the emirs were picked from legitimate ruling houses hence they were respected and obeyed by the people¹.

The fact that the people are not fully and comprehensively galvanised to see themselves as one nation, where opportunities are equal and no one is left behind for one reason or the other, has negatively impacted the pursuit of the nation's aspirations and nation-building.

¹ Obaro Ikime, (1980). Groundwork of Nigerian History. Nigeria: Heinemann Educational Books.

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The success achieved in the evolution of the system of native administration was most pronounced in the North and it had influence on the extension of the system to Western Nigeria where it was less successful. The Yorubas like the Ashantis of Ghana and Mendes

The success achieved in the evolution of the system of native administration was most pronounced in the North and it had influence on the extension of the system to Western Nigeria where it was less successful.

of Sierra Leone, did not have a highly centralised administration like Northern Nigeria. The traditional rulers were effectively controlled by council of chiefs, secret societies and other institutions. The formal appointment of the traditional rulers as native authority officers appeared to confer on them a greater measure of authority than was actually accorded them by local customs. The traditional rulers, therefore, assumed unlimited powers than they had hitherto traditionally enjoyed. The new system, especially the taxation aspect was strange to Yoruba land. Taxation was not known or popular in the West as it was in the North. The attempts made by some traditional rulers to

force their people to pay taxes met with resistance and failure. There were riots in Abeokuta and Iseyin as a result of tax law or forced labour. Furthermore, the Native Authority system gave no opportunity for the younger educated men to participate in local government. As a result of this, the educated elites of the West bitterly criticised the indirect rule system.

The indirect rule policy had the following defects:

1. The indirect rule system failed to provide for the emergence of the intelligentsia who were deprived of a political role. This hindered both constitutional and economic development of Nigeria.
2. It corrupted some chiefs and other natural rulers. In Eastern Nigeria, the warrant chiefs were arrogant and corrupt. Consequently, the people did not respect and co-operate' with them.
3. The system as practiced in Nigeria tended to build up autocracies, especially in the North and Yoruba land.
4. Indirect Rule was used to delay rapid constitutional development and an early Independence since the conservative chiefs were not prepared for Independence. Moreover, it made future efforts to introduce parliamentary democracy in Northern Nigeria more difficult than in Southern Nigeria.
5. The period of indirect rule was punctuated by riots and other forms of disturbances because of the inability of the British to devise a satisfactory version of the system for some areas in Southern Nigeria.

Despite the above defects, indirect rule recorded the following achievements:

1. It preserved the native institutions and modified them to suit the new realities at the time. It, therefore, formed the basis for the modern local government in the country.
2. It enabled the British to rule a large territory with a small number of British political officers. It also made it possible for Lugard to use the limited funds at his disposal to pay the salaries of the few British officers who worked with him.
3. It helped Nigerians to preserve some of their cherished traditions, laws, customs and beliefs despite colonial rule.
4. Native or traditional rulers were trained through the indirect rule in the modern art of administration².

Controversial style

The increasing ethnic divide, dogging the nation's unity, the lopsided development and disequilibrium in the nation's educational attainment and the neglect and deprivation of the minorities have fused together to fuel the agitations for equal opportunities, justice and equity. The fact that the people are not fully and comprehensively galvanised to see themselves as one nation, where opportunities are equal and no one is left behind for one reason or the other, has negatively impacted the pursuit of the nation's aspirations and nation-building. The challenges that the nation has had to contend with have been squarely put down to the policies and administrative style of the British, following the amalgamation of Northern and Southern Nigeria into one territorial entity. Many till today, therefore, roundly blame the British for the country's woes.

An artificial creation of colonial imperialism, the unification was a loose affiliation of the three distinct regional administrations into which the country was subdivided—Northern, Western, and Eastern regions. Each region was governed under a lieutenant governor and given independent government services. The governor had to coordinate the autonomous settlements with overlapping economic interests, but the three regions had little in common, politically and socially. With the amalgamation (instituted without the consent and approval of the people and the running of the administration carried out largely without a say by the people), the British knew that they had a challenge on their hands and they could not carry on that way for long.

In 1916, Lugard, for the first time in an attempt to give the impression of a Nigerian representation in the administration, formed the Nigerian Council, a consultative body of six traditional leaders, including the Sultan of Sokoto, the Emir of Kano, and the Alafin of Oyo to represent the entire colony. The council was presented as a means for freedom of expression and opinion that could guide the Governor-General on issues but it turned out, as could be found from its annual sessions, that it was more of a forum to inform

² Obaro Ikime, (1980). *Groundwork of Nigerian History*. Nigeria: Heinemann Educational Books.

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the traditional leaders about British policies, they only attended the council's meetings to listen and assent to policies and directives.

Before the amalgamation, the Fulani jihad or Muslim Holy War had deeply entrenched Islam already in the North; the level at which Islam had already taken root in Northern Nigeria confounded the British, they decided on maintaining the status quo. After a studied look at the situation, the colonialists shunned any act that could be mistaken as a disregard of traditional values that might cause resistance to British rule. The structure of authority was focused on the Emir to whom obedience was a mark of religious devotion and gradually traditional authority was institutionalised in the north. As the Emirs became more entrenched in their role as good agents of indirect rule, the colonial authorities maintained the status quo on religious issues in particular. They in fact, took matters further by not permitting the spread of Christianity and to an extent western education in the North with Christian missionaries banned from going to the Northern region. The colonial administration harmonised the limited efforts in education with Islamic institutions, a policy and acquiescence which in effect sowed the seed of educational imbalance between the North and the South existing till this day³. This singular action has continued to hunt and hurt the nation in all respects. The harm the educational imbalance between the North and South has done to the development efforts of the country is incalculable as the effects transverses the entire structure of the country's national life and contributes significantly to the level of poverty that has continued to ravage the country, the north in particular. It has also contributed to the low level of awareness in all areas among a greater number of the people. It laid the foundation for the control and personalisation of the national resources by a few and the need to resort to mundane policies such as federal character or quota system and even the political zoning arrangement to make certain political offices accessible to all sections of the country. All these affirmative actions, be it federal character, quota or zoning etc., sacrifice merit for mediocrity and continue to mean that in most cases, the nation is fielding its third or fourth team instead of the best and the brightest. In and of itself, the disparity between the North and the South in educational development significantly delayed the granting of Independence to Nigeria with the north arguing then that they were not ready for Independence as a result of their educational disadvantage.

Traditional leaders in Yorubaland, South West of Nigeria, were similarly used as vehicles of indirect rule but culture, tradition, Christianity and western education did not totally permit them to get carried away with the spoils of that role. In some cases, however, allegiance to the sacred monarchy for its symbolic value and to modern concepts of law and administration was maintained. Out of reverence for traditional kingship, for instance,

3 Morel E.D, (1911). *Nigeria its People and its Problems*. London: Smith, Elder

the Oni of Ife, whose office was closely identified with Yoruba religion, was accepted as the sponsor of a Yoruba political movement. In the Eastern Region, appointed officials who were given "warrants" and called warrant chiefs, were resisted by the people because they lacked traditional claims⁴.

British administrative procedures under indirect rule involved constant interaction between colonial and traditional rulers. The system was modified and operated to fit the needs of each region. For example, in the North, laws came in the form of decrees and were signed by the governor and the Emir, while in the South, the governor sought the approval of the Legislative Council.

How would one explain the action of the British administrators, who claimed to be working towards building one country when in the North, Hausa was taken as the official language and knowledge of same, being made compulsory for all colonial officers serving in the North as against the English Language which was taken as the official language in the South. Also, while economic links among the regions increased, indirect rule discouraged political interchange. It is, therefore, easy to aver from the above that the British did not assert greater pressure for unity among the regions until the end of World War II when there was an attempt at serious constitution making.

Lugard primarily was concerned with consolidating British sovereignty and ensuring local administration through traditional leaders. He had no liking for the educated and westernised African elites who were more in the South. He even wanted the capital transferred from Lagos, where the presence of these people was more, to the northern city of Kaduna. While the capital was not moved, Lugard's bias in favour of the Muslim North was not hidden. He bequeathed this attitude to his successor as he handed over to Sir Hugh Clifford when his term as Governor-General expired at the end of 1918⁵.

Clifford quite unlike Lugard was an aristocratic professional administrator. He was liberal-minded and had been in the Gold Coast, now Ghana, which he administered before he came to Nigeria. He was acknowledged for his pragmatism. The approach of Lugard and Clifford to colonial development was quite different. To Clifford, colonial government had the responsibility to introduce as quickly as practicable the benefits of Western experience. He was aware that the Muslim North would present problems in this regard, but he was hopeful for progress, along the lines he laid down in the South, where he anticipated "general emancipation" leading to a more representative form of government. Clifford emphasised economic development, and encouraged business

4 Morel E.D. (1911). *Nigeria its People and its Problems*. London: Smith, Elder.

5 Morel E.D. (1911). *Nigeria its People and its Problems*. London: Smith, Elder.

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by "immigrant southerners" in the North while restricting European participation to intensive capital activity. Clifford, who was not too pleased with the latitude allowed traditional rulers in the North under the indirect rule, opposed further extension of the judicial authority held by the emirs. He did "not consider that their past traditions and their cultural conditions afford any such experiment a reasonable chance of success."⁶ In the South, however, he saw the possibility of building elites educated in schools modelled on a European method (numerous elite children actually attended high-ranking colleges in Britain during the colonial years). He rejected Lugard's suggestion to have the capital removed to Kaduna from Lagos, the stronghold of the elites in whom, unlike Lugard, he placed so much confidence for the future. Clifford did not also believe in the indirect rule policy, arguing that the division into two separate colonies was only advisable if a stronger central government could bind the country into more than just an administrative convenience for the three regions. While Lugard had applied lessons learnt in the North to the administration of the South, Clifford intended to extend to the North, practices that had been successful in the South; but Sir Richmond Palmer then acting Lieutenant-Governor in the north, was opposed to that and instead advocated the principles of Lugard, insisting on further decentralisation. The Colonial Office, where Lugard was still held in high regard, agreed that changes should be made in the South, but opposed fundamental changes to procedures in the North. This laid the foundation not only for inequality of policies and processes but also disunity and differences in political, social and economic growth - a gulf that allowed disunity to fester. AJ Harding, Director of Nigerian Affairs at the Colonial Office, explained later the official position of the British government, which was in support of indirect rule, when he said that "direct government by impartial and honest men of alien race ... never yet satisfied a nation long and ... under such a form of government, as wealth and education increase, so does political discontent and sedition."⁷

Imbalances and doubts

The amalgamation strengthened Western education in Nigeria, particularly in the South and many Nigerians travelled to the United Kingdom for higher education. Their return scaled up calls for self-government and Nigerian nationalism emerged.

The British colonial rule over Nigeria, which lasted for 60 years, 1900-1960, left the country with many sore points that have made it wobble as a nation on all fronts, politically, economically and socially ever since. It produced a country that was weak in unity, to say the least. At some point, regional leaders threatened to secede from the federation. As early as the mid-1950s, northern leaders contemplated separation after their al-

6 Morten Jerven, *Controversy, Facts and Assumptions: Lessons from Estimating Long Term Growth in Nigeria, 1900-2007*.

7 Morel E.D. (1911). *Nigeria its People and its Problems*. London: Smith, Elder.

leged humiliation by Southerners because of the Northerners' refusal to support a motion for self-government in 1956. Similarly, in 1954, the western region threatened to pull out, if the Colony of Lagos was not united with it. However, these threats were duly weathered as a result of some strong countervailing factors that held the country and have continued to hold it together as one unit. Among others, colonial rule held the country together as a unit. Secondly, the regions had economic complementarities and in particular, given the export orientation of the colonial economy, the landlocked northern region depended greatly on the southern region that had access to the sea. Furthermore, in the final days of colonial rule, Nigerian leaders recognised the advantages conferred on the nation by the country's large size and population which is a strong factor if properly harnessed.⁸

The amalgamation strengthened Western education in Nigeria, particularly in the South and many Nigerians travelled to the United Kingdom for higher education. Their return scaled up calls for self-government and Nigerian nationalism emerged. The goal of the activists initially was not self-determination, but increased participation in government at the regional level. Inconsistencies in British policy reinforced existing cleavages based on regional animosities, as the British tried both to preserve the indigenous cultures of each area and to introduce modern technology together with Western political and social concepts. In the North, appeals to Islamic legitimacy upheld the rule of the emirs, so that nationalist sentiments were related to Islamic ideals. Nationalists in the South, whose thinking was shaped by European ideas, opposed indirect rule, as they believed that it had strengthened what they considered an anachronistic ruling class and shut out the emerging westernised elite. This also served to engender the contrasting way that the North and the South saw the process of governance which tends to play out till today. Whereas the North favours the seemingly unitary federalism that currently operates, the South holds the view that devolution of authority to the regions is the best way to achieve efficiency, effectiveness, economic growth and development. This divided view of the way to go tends to tear the country apart, abort progress and stunt political, social and economic development.

The southern nationalists were inspired by a variety of sources, including such prominent American-based activists as Marcus Garvey and W.E.B. Du Bois. Nigerian students abroad, particularly those in British schools joined those of other colonies of pan-African groups, including the West Africa Student Union (WASU) founded in London in 1925. As a consequence, early nationalists choose to ignore Nigeria as their focus of patriotism and political activities, and common denominators tended to be based on newly assertive ethnic consciousness, particularly that of the Yoruba and Igbo. Despite acceptance of European and North American influences, the nationalists were critical of colonialism

⁸ The Library of Congress Country Studies and the CIA World Fact book

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for its failure to appreciate the antiquity, richness and complexity of indigenous cultures. They wanted self-government, charging that colonial rule was a stumbling block that prevented the unshackling of progressive forces in Nigeria and other states.

Political opposition to colonial rule soon assumed religious dimensions. Independent churches had emerged at the end of the 19th century. European interpretations of Christianity in some cases did not permit the incorporation of local customs and practices, although the various mission denominations interpreted Christianity in different ways. Most Europeans overlooked their own differences and were surprised and shocked that Nigerians wanted to develop new denominations independent of European control. Protestant sects had flourished in Christianity since the Reformation; the emergence of independent churches in Nigeria (as of black denominations in the United States) was another phase of it. The pulpits of the independent congregations became avenues for free expression for critics of colonial rule. In the 1920s, Nigerians began to form all sorts of associations, inclusive of professional and business associations as the Nigerian Union of Teachers, Nigerian Law Association, and the Nigerian Produce Traders' Association, led by Obafemi Awolowo, among others. These associations brought together lawyers, many of whom had trained in Britain. While initially organised for professional and fraternal reasons, they later became centres and groups made up of educated people, who used the platforms provided by the associations, to develop their leadership skills as well as form broad social networks.

Ethnic and kinship organisations that took the form of tribal unions also emerged in the 1920s. These organisations were primarily urban-based and they came about after many rural migrants moved to the cities. Alienated by the unfamiliar urban environment and drawn together by ties to their ethnic homelands and the need for mutual aid, the new city dwellers formed local clubs that later expanded into federations, covering whole regions. By the mid-1940s, the major ethnic groups had formed such associations as the Igbo Federal Union and the EgbeOmo Oduduwa (Society of the Descendants of Oduduwa), a Yoruba cultural movement, in which Awolowo played a leading role. The more overtly political of them all was the Youth or Student Group Movement, which became a vehicle for intellectuals and professionals. They were the most politically conscious segment of the population and created the Vanguard of the nationalist movement. Newspapers, some of which were published before World War I, provided coverage of nationalist views. With the increased agitations by the above associations - ethnic and professional groups for self - government, the British came up with the Clifford Constitution in 1922 and for the first time Nigerians had the chance to elect a handful of their representatives to the Legislative Council. The constitution mandated that a Legislative Council administer the west and eastern regions, an action that appeared to have moved these regions towards autonomy from the British but left the northern region still firmly governed by

indirect rule. The North was not happy with this and this disaffection between northern and southern Nigeria ultimately boiled over, resulting in the Jos riots of 1945 in which Northerners protested against the amalgamation with the South.

In the meantime, the articulation of political activities continued steadily in the South. The principal arrow head of this movement was Herbert Macaulay, often referred to as the father of Nigerian nationalism. He aroused political awareness through his newspaper, the Lagos Daily News and led the Nigerian National Democratic Party (NNDP), which dominated elections in Lagos from its founding in 1922, using the platform to call for economic and educational development, Africanisation of the civil service, and self-government for Lagos. Macaulay's NNDP was almost entirely a Lagos party, popular only in the area whose people already had experience in elective politics. The National Youth Movement (NYM) used nationalist methods to agitate for improvements in education. The movement brought to public notice a long list of future leaders, including H.O. Davies and Nnamdi Azikiwe. Azikiwe later came to be recognised as the leading spokesman for national unity. When he first returned from the United States, upon graduation from the University of Pennsylvania (1933), his outlook was Pan-African rather than nationalist, and emphasised the common African struggle against European colonialism. Of course, this was reflective of growing Pan-Africanism among American activists of the time. Azikiwe had less interest in purely Nigerian goals than did Davies, who was a student of Harold Laski at the London School of Economics; his political orientation was considered left-wing.

The National Youth Movement (NYM) used nationalist methods to agitate for improvements in education. The movement brought to public notice a long list of future leaders

By 1938, the NYM was agitating for dominion status within the British Commonwealth of Nations, so that Nigeria would have the same status as Canada and Australia. In elections that year, the NYM ended the domination of the NNDP in the Legislative Council and worked to establish a national network of affiliates. Three years later, internal divisions arose that were dominated by major ethnic loyalties, perhaps, the beginning of ethnic politics and the death of ideological party partisanship in Nigeria. Igbo members of the NYM left in droves; the departure of Azikiwe and other Igbo members left the organisation in the hands of the Yorubas. During World War II, Awolowo reorganised NYM as a predominantly Yoruba political party, the Action Group. Yoruba-Igbo rivalry in Nigeria politics was not only ignited, but worsened and has continued till date. This has made it impossible ever since for Igbos and Yorubas to be on the same page politically, thus partly creating the political disunity that exists today.

The rapid growth of organised labour in the 1940s also brought new political forces into

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play. During the war, union membership increased six-fold to 30,000. The proliferation of labour organisations fragmented the movement and potential leaders lacked the experience and skill to draw workers together.

The Action Group was largely the creation of Awolowo, General Secretary of Egbe Omo Oduduwa and leader of the Nigerian Produce Traders' Association. The Action Group was, therefore, the heir of a generation of flourishing cultural consciousness among the Yoruba and also had valuable connections with commercial interests that were representative of the comparative economic advancement of the Western Region. Awolowo had little difficulty in appealing to the broad segments of the Yoruba population, but he worked to avoid the Action Group from being stigmatised as a "tribal" group. Despite his somewhat successful efforts to enlist non-Yoruba support, the regionalist sentiment that had dogged the party initially continued. Segments of the Yoruba community had their own grievances, new rivalries emerged. For example, many people in Ibadan opposed Awolowo on the ground of his identification with the Ijebu Yoruba. That notwithstanding, the Action Group was rapidly built into an effective organisation. Its programmes showed greater planning and was more ideologically-oriented than the National Council of Nigeria and the Cameroon (NCNC). Although he lacked Azikiwe's all-embracing personality, Awolowo was a formidable debater as well as a vigorous and tenacious political campaigner.

The Action Group consistently supported minority-group demands for autonomous states within a federal structure, as well as the creation of a Midwest State from Western Region. It assumed that comparable alterations would be made elsewhere, an attitude that won the party minority voting support in the other regions. It backed Yoruba resistance to irredentism in the Fulani-ruled emirate of Ilorin in the Northern Region, and separatist movements among non-Igbo in the Eastern Region. In reaction to the unfolding ethnic party divisions in the south, the Northern People's Congress (NPC) was organised in the late 1940s by a group of western-educated northern Muslims with the consent of the emirs to counter-balance the activities of the southern-based parties. The most powerful figure in the party was Ahmadu Bello, the Sardauna (War Leader) of Sokoto. A controversial figure, he aspired to become the Sultan of Sokoto, the most important political and religious position in the North. Bello's major interest was to protect Northern social and political institutions from Southern influence. He insisted on maintaining and preserving the territorial integrity of the northern region, including even those areas with non-Muslim populations. He wanted also to strengthen the North educationally and economically. His ambition might have been limited to the northern region. He supported fully, NPC's efforts to mobilise the North's large voting population to ensure the party's victory at the polls and control the national government. The NPC did not hide its position as a northern party; it propagated the integrity of the North, its

traditions, religion, and social order. Support for broad national issues was secondary, just as it was unwilling to extend the NPC beyond the northern region. Membership was drawn from local government and emirate officials, who had access to means of communication and to repressive traditional authorities that could keep the opposition in check. The educated Northerners - who were educated abroad - including Abubakar Tafawa Balewa and Aminu Kano, supported British-backed efforts to introduce gradual change to the Emirates. The emirs gave support to limited modernisation due to the worrying presence of southerners in the North, and the observed improvements in living conditions in the South. Most internal problems within the North, peasant disaffection or rivalry among Muslim factions, were concealed, and open opposition to the domination of the Muslim aristocracy was not tolerated. Critics, including representatives of the Middle Belt, who resented Muslim domination, were relegated to small, peripheral parties or to inconsequential separatist movements.

In 1950, Aminu Kano, one of the major founders of the NPC, broke away to form the Northern Elements Progressive Union (NEPU), to protest NPC's limited objectives and his disaffection with the notion that traditional rulers would not accept modernisation and formed a parliamentary alliance with the NCNC. The NPC continued to represent the interests of the traditional order in the pre-independence deliberations. After the defection of Kano, the only significant disagreement within the NPC was related to moderates. Men such as Balewa believed that only by overcoming political and economic backwardness could the NPC protect the foundations of traditional northern authority against the influence of the more advanced South. In all three regions, minority parties represented the special interests of ethnic groups, especially as they were affected by the majority. They were never able to elect sizeable legislative delegations, but they served as a means of public expression for minority concerns. They received attention from major parties before elections, at which time either a dominant party from another region or the opposition party in their region sought their alliance.

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The above regional jostling were pitifully, very pronounced, and sign-posted the herculean political terrain ahead, one in which every section of the country was likely to clamour and agitate for their own selfish interest at the expense of national interest and cohesion. Bitter rivalry among political leaders, with the British still very much around then, ensued such that public pronouncements and actions were worrisome and fears for a possible breakup of the country in the no distant future

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were rife. Speeches like the one made by Balewa in 1952, which sparked off the 1953 anti-Igbo riots in Kano over the perceived Igbo domination in economic, social, and military dominance, were common place among political leaders. Sir Alhaji Abubakar Tafawa Balewa, who later became Nigeria's Prime Minister at Independence, had reportedly declared in the Northern House of Assembly in Kaduna: "Since the amalgamation in 1914, the British Government has been trying to make Nigeria into one country, but the Nigerian people are different in every way including religion, custom, language and aspiration.

The fact that we're all Africans might have misguided the British Government. We here in the North take it that 'Nigerian unity' is not for us." In a similar vein, the Sardauna of Sokoto and leader of the NPC in reaction to the alleged treatment of Northern representatives during a motion for independence in 1953, said: "The mistake of 1914 has come to light."⁹ Obafemi Awolowo, the leader of the Yorubas and the Action

It was clear, therefore, that many southern and northern political leaders, as the bell of Independence tolled, were not at ease with the amalgamation carried out by the British.

Group party, was quoted in 1947, to have said: "Nigeria is not a nation; it is a mere geographical expression to which life was given by the diabolical amalgamation of 1914, that amalgamation will EVER remain the most painful injury a British Government inflicted on Southern Nigeria."¹⁰ It was clear, therefore, that many southern and northern political leaders, as the bell of Independence tolled, were not at ease with the amalgamation carried out by the British. Leaders in both North and South started to express great doubts and as a consequence, forging unity among the various sections of the country became difficult and this situation has not changed up till today. Northern leaders

displayed aversion to the Nigerian project, but the British, who believed that it was a good thing wanted them in it at all cost, and continued to placate them. The North's position, and rightly may be, was that it was at a disadvantage in terms of resources and education, and that there existed huge differences in cultural and religious norms and beliefs between it and the South. It was against this backdrop that it opposed Independence in 1953 and 1957. Independence was delayed until 1960 to give the northern region more time to at least catch up as much as possible.

The 1952 census gave Nigeria a population of approximately 33 million; 18 million in the North, 8.5 million in the East, and six million in the West. In the 1959 Federal elec-

9 Larry Diamond, (1988). *Class, Ethnicity, and Democracy in Nigeria: The Failure of the First Republic*. New York: Syracuse University Press

10 Obafemi Awolowo, (1947). *The Path to Nigerian Freedom*. London: Faber & Faber

tions, NPC had 25.2% of the votes; NCNC-NEPU had 36.1% while AG had 27.6%. Other parties recorded 8.1% of votes. Yet NPC's votes gave it 134 seats, 141, if allies are included, as against 89 for the NCNC-NEPU alliance and 75 for the AG. An American, Professor Henry L. Bretton, believed the elections were rigged.

"Total number of votes in the North was 3,258,520; lower than 3,927,035 in the South. The turnout was also higher in the north with 89% and the South had 72%. The voting pattern was not consistent with the population figures from 1952. There was the debate that both the 1952 census and elections were rigged. There again, all the censuses and elections carried out in Nigeria have always been challenged. The seeds to problems of election manipulation and rigging and inaccurate census figures were sown well before independence and are still there today. They have become a fundamental part of corruption in Nigeria, particularly as political corruption is most damaging in its widest effect as shall be discussed later.

This fractionalisation of the political elites with its inherent leadership deficit, which continue to hunt Nigeria till today, has concomitantly been part of all that divide the country.

Election rigging is part of the legion of problems, bedeviling the country and unfortunately, like most of Nigeria's challenges, it now seems to be beyond solution. The regional and ethnic divisions permeated the polity from the colonial times and so badly fragmented national elites and leaders to the point that unlike some of the country's comparator peers, Nigeria had no uniting national leaders at Independence that could be pointed to as heroes. This seems to have irredeemably laid the foundation for the leadership crisis which has crippled Nigeria till today and left the country and the people with a yawning leadership gap. Nnamdi Azikiwe, an Igbo, who had the greatest potential for becoming a national leader, was forced by regionalist pressures to become a sectional leader. The other leaders during the post-Independence period, including Ahmadu Bello, Abubakar Tafawa Balewa, Obafemi Awolowo, Michael Okpara, Samuel Akintola, and Aminu Kano are best remembered as sectional leaders, even though they are usually referred to as nationalists. This fractionalisation of the political elites with its inherent leadership deficit, which continue to hunt Nigeria till today, has concomitantly been part of all that divide the country such as reinforced ethnicity, regionalism, and religious conflicts. These sentiments were often aroused in the competition for power, material resources, and privileges and nothing has been done to change this. What are the lessons that Nigeria, as a nation can and should learn from all the above in the country's effort to build a united nation?

Contentious documents

With an unsettled political terrain from the time of amalgamation, Nigeria and Nigerians have tried out series of constitutions and held several conferences and dialogues with a

With an unsettled political terrain from the time of amalgamation, Nigeria and Nigerians have tried out series of constitutions and held several conferences and dialogues with a view to finding a lasting solution to the political and constitutional crisis that it continually faces

view to finding a lasting solution to the political and constitutional crisis that it continually faces, but to no avail. With the series of pre-independence constitutions the country operated in an attempt to find a solution to the amalgamation paradox, questions have been raised as to whether the problem is with the constitution as written or with Nigerians, who are simply bad operators of the constitution. There is also the feeling that the country has gone through this long enough to be able to learn lessons and begin to get it right but with the current state of affairs, even in a centenary year, it can be argued that the opposite is the case.

Following the level of doubt and scepticism that continued to trail the amalgamation of the southern and northern Protectorates of Nigeria without the consent and approval of the people, the British took the country through a series of constitutions, constitution making processes and conferences, perhaps, in an attempt to rectify the perceived mistakes of 1914, before the country's Independence in 1960. In the real sense, these steps were a determined bid to put in place a working document to govern the diverse people that would ultimately be acceptable to all sections of the country. In order to see the attempts both the British and the nationalists made in the effort to correct the faulty structure created by the amalgamation, it is necessary to review the constitutions and conferences that were held before the nation's Independence, identify the form that they took and why they failed to resolve the amalgamation paradox that has continued to plague the nation till today.

The Lagos 'Crown Colony' Constitution: The Constitutional history of Nigeria is

The inclusion of the traditional chiefs in the Nigerian Council, though sensible, was not more than window dressing as they were unable to understand the proceedings, least contribute to the legislative debate.

tied to the conquest of Lagos in 1861 by the British. Only a year after that, Lagos was declared a new 'Crown Colony' or Settlement to give way to the introduction of the first colonial Constitution in Nigeria. The constitution provided for a Legislative Council, comprising a Chief Justice, Colonial Secretary and a senior military officer commanding the imperial forces. The Legislative Council was responsible for advising the governor on legislative issues for the colony and the council was dominant.

ed by repatriates until 1928. The natives were excluded from the council because they had no Western education, a necessary prerequisite for effective participation in its activities. The few educated Africans that made appearance between 1872 and 1922 in the Legislative Council were all repatriates. For instance, between 1872 and 1874, the unofficial members of the Legislative Council, A.H. Porter, English merchant, G. Hutchinson and Captain J.P.L. Davies, were wholly expatriates. By 1874 and 1886, the colony lost its unofficial nominations into the Legislative Council from the British administrative strategy which saw Lagos merged administratively with the Gold Coast. The merger of Lagos Colony and the Southern Nigeria Protectorate in 1906 extended the jurisdiction of the Legislative Council to the latter. Significantly, the amalgamation of the Colony and the Southern Nigeria Protectorate meant increased membership of both official and unofficial representatives in the Legislative Council. The official members became 10 and the unofficial members, six. Despite the enlarged number of the membership, the function of the Council remained advisory. Also, the eventual amalgamation of northern and southern Nigeria Protectorates in 1914 did not usher in any improvement either in the function of the Legislative Council. Still, the creation of the Nigerian Council for the rest of the country (northern and southern Nigeria Protectorates) in 1913, did not address the issue of proper representation. Membership of the Nigerian Council comprised 24 official members and 12 unofficial members. Six of the 12 unofficial members were Europeans, who represented the economic interest of the colonial government while the other six members were first class Nigerian chiefs, and like its forerunner, the Council remained advisory. Due to perpetual absence of the traditional chiefs at its sittings, who always found the proceedings boring owing to language barrier because of their little or no knowledge of the English Language, the council was abandoned in 1922.

What was obvious was that before 1922, membership of the Legislative Councils established by the colonial administration was not a true representation of the people of Nigeria as they were dominated by unofficial members. Even the Africans that were later allowed to participate were not only repatriates but nominees of the Governor. The inclusion of the traditional chiefs in the Nigerian Council, though sensible, was not more than window dressing as they were unable to understand the proceedings, least contribute to the legislative debate. Besides, legislations or decisions taken by the Council were mere formality as no resolution passed by it could take effect without the ratification of the Governor. Impliedly, the Legislative Council and the Nigerian Council were advisory boards to the Governor. Bad enough, the people for whom the legislations were being enacted were neither informed nor consulted, and were least involved. By implication, therefore, whatever constitutions were handed down by the colonial administration before 1922 violated the true principle

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of constitutionalism which places people at the centre of activities. The colonialists could, however, argue that the western-style constitutional process was at that stage strange to Nigerians and required gradual learning and training. The colonial government, however, by the introduction of the council had showed that it was conscious of public opinion, going by its advisory responsibility. It also demonstrated its willingness to allow Africans to participate in running their affairs by the increase in the number of unofficial members of the council in 1906.

Clifford Constitution: This was introduced in 1922 as an admittance of the failure of both the Legislative and the Nigerian Council in their responsibilities. Sir Hugh Clifford proposed a substitution of the Nigerian Council with a new Legislative Council to at least cover southern Nigeria, while the Northern Province continued to be governed by the Governor's proclamations. Advanced as reasons for the initial exclusion of the coverage of the north by the new council were among others the huge size of the country, poor transportation and communications, cultural diversity and legal differences between the colony and the North. The annual budget expenditure and custom duties that have to do with the North would, however, be handled by the Council. The Clifford Constitution for the first time embodied the principle of elections in Nigeria. Of the 46 members of the Legislative Council, there were 27 unofficial members and 19 official members. Four of the unofficial members were elected through limited male adult franchise; three from Lagos and one from Calabar. Participation in the election was conditional on being resident in any part of Lagos or Calabar for one year and earn a gross annual income of £100 per annum. The Clifford Constitution also established an Executive Council to advise the Governor but the membership were all British until 1943 when the first two unofficial Africans were appointed into the Executive Council. The constitution also permitted for the first time, the formation of political organisations in the country such as the NNDP at the time. The Clifford Constitution was operated for 25 years.

The defects of the 1922 constitution were:

1. The Constitution limited its Jurisdiction only to the southern protectorate while the north was not placed under the constitution. Instead, the North was ruled through native administration and administrative fiat, a process which crippled political consciousness, socialisation and participation.
2. There was no representation of Nigerians in the Executive Council. This was a calculated attempt at crippling political development by not allowing Nigerians to acquire experience in running their government. By virtue of the fact that the legislative council was subordinate to the Executive council, the representation given to Nigerians could be seen as essentially cosmetic.
3. Not many Nigerians were given the right to vote for the four elected members. The

constitution allowed income qualification of one hundred pound (£100) per annum which was too high for the majority of Africans.

4. The legislative council was composed majorly of white officials. Besides, members were nominated by the Governor.

Richard Constitution of 1946: Before the end of December 1944, Sir Arthur Richard, the new Governor of Nigeria, published a new constitutional proposal. The Nigerian nationalism was already in full swing, so, the constitutional proposal was in response to the demands and agitations by some sections of the country, and particularly the South for either self-government or increased participation in government. These demands were largely articulated by the West African Students Union (WASU) and the National Youth Movement (NYM). The proposals for the new constitution, which had already been prepared by the previous Governor, Bernard Bourdillon, were presented to the Legislative Council of Nigeria on March 6, 1945. Perhaps the most distinguished feature of the Richard Constitution was the provision for regionalism. It has been argued that the inclusion of the principle of regionalism in the constitution was a compromise between the radical regional separatists, who preferred three strong states, and the federalists, who wanted the Native Authority system linked with the central parliament. The stated objectives of the constitution as presented in the white Paper were:

1. To promote the unity of Nigeria
2. To provide adequately within that desire for the diverse elements which make up the country;
3. To secure greater participation by Africans in the discussion of their own affairs

As observed by Coleman (1962: pp274-275), the introduction of regionalism was attractive to the British for three reasons. Firstly, they had envisaged that it would at least partially assuage the nationalist agitation. Secondly, it would ensure that the Legislative Council did not grow too large and unwieldy and lastly, that it would serve as 'defence against a possible seizure of central power by an educated minority in Lagos'¹². The new Legislative Council under this constitution comprised the Governor, 16 official members and 28 unofficial members, 24 of whom were nominated by the Governor and the remaining four elected. In addition to two official members, the Northern Province was represented by nine unofficial members, the western and eastern Provinces were represented by two officials each and six unofficial and five unofficial respectively. Unlike previous

Though the constitution's claim of greater participation was inadequate, it nonetheless provided greater opportunity for public discourse.

¹² Coleman 1962: pp 274-275

constitutions, the Richard Constitution had a few advantages; first, the constitution integrated both north and south for legislative purpose. Second, the income qualification of the aspirants was reduced from £100 to £50, for the first time; the Central Legislative Council was empowered to legislate for the whole country while introducing regional councils as well. While the regional council for the North had two chambers (House of Assembly and House of Chiefs), the western and eastern councils had one chamber each. The creation of regional councils brought government closer to the people of Nigeria. In spite of all that, however, the constitution received some bashing for a number of reasons. First, the claim that the constitution increased the participation of Nigerians was false as majority of unofficial members were nominated by the Governor and were largely traditional chiefs who could not understand and communicate in the English language. Secondly, inadequate consultation of the indigenous people contrary to what was promised by the previous Governor, Sir Bernard Bourdillon. The educated nationalists were excluded from the process and, therefore, they frowned at the imposition of the constitution on the country. It was, however, noted that though the constitution's claim of greater participation was inadequate, it nonetheless provided greater opportunity for public discourse. Not only that, the restriction of election to Lagos and Calabar was probably because the level of literacy in other parts of the country was somewhat low. The number of Northerners in the parliament exceeded that of Southerners with no clear-cut reasons given for this.

Macpherson Constitution of 1951: By 1949, the agitations for independence were at their crescendo. In March 1949, a Select Committee of the Legislative Council was set up to make recommendations on the proposed new constitution of Nigeria. Having examined the problems arising from the Richard constitution, wide consultations were made even to village levels (Olusanya: 1980 p.530)¹³. This was followed by an all Nigerian Constitutional conference, involving Southern and Northern delegates for the first time in Ibadan in January 1950. Among other things, the conference agreed to the adoption of a federal system and the transformation of the three regions from administrative to political regions. The new constitution came into effect in 1951, introducing a single chamber central Legislative House, known as the House of Representatives, and the Executive Council for the entire country. The constitution provided for a bi-cameral legislature, the House of Assembly and the House of Chiefs in the western and northern regions but a House of Assembly only for the eastern region. Besides dividing

The Macpherson Constitution did not only increase the level of participation of indigenous people in the government, the number of unofficial members in the House of Representatives for the first time was overwhelming.

13 Olusanya, G.O. (1980). Constitutional Development in Nigeria, 1861-1960 in Ikime, O. (ed.) Groundwork of Nigerian History. Heinemann.

the country into three regions, the constitution also established a regional executive council for each of the regions. The House of Representatives comprised the President (the Governor), six ex-officio members, 136 elected members and six special members appointed by the Governor to represent the interests that were not adequately represented (Okonkwo: 1962, p.275). Of the 136 elected members, 68 were to come from the Northern House of Assembly, 31 from the Western House of Assembly and three from the Western House of Chiefs. The remaining 34 were to come from the Eastern House of Assembly. The Macpherson Constitution did not only increase the level of participation of indigenous people in the government, the number of unofficial members in the House of Representatives for the first time was overwhelming. Significantly, the number of unofficial elected members was far greater than unofficial nominated members and the process of the making of the constitution provided a learning opportunity for Nigerian nationalists in the art of constitution-making. Lastly, the constitution ushered in the formation of new political parties.

The principal weakness of the Macpherson Constitution lay in its failure to provide responsible government at the centre. This is because the council of ministers was not a true replica of a cabinet government. Secondly, the African ministers were not charged with full ministerial responsibility, making them not to have executive control over their departments as the Government still controlled the public service. Thirdly, the arrangement for the nomination of ministers by the regional Legislatures, which were controlled by different political parties, based upon the support of the dominant tribe, centred on the regions rather than on the central government. Besides, the constitution did not make provision for the appointment of a premier or leader of Government Business. This resulted in lack of team spirit because there was no person at the centre to lead the council of ministers. In the eastern region, a crisis arose as a result of the failure of the members of the NCNC to elect its leader, Dr Azikiwe, into the House of Representatives in Lagos. During this crisis, the NCNC Assembly men passed a vote of no confidence on the Executive which refused to resign. This situation persisted until the Eastern House of Assembly was dissolved in May, 1953. The constitution did not meet the demands of the Nationalist, who wanted political Independence. For instance, the motion for Independence in 1956 tabled by Chief Anthony Enahoro, an A.G member, precipitated the breakdown of the constitution because the four AG ministers at the centre resigned so as to vote for their party on the motion for Independence. The result of this was that the Northern Assembly men who were jeered at because they did not support the motion on Independence, went back to the North and enunciated an eight-point programme under which they advocated that Nigeria became a confederation. Another offshoot of this crisis was the Kano riots of 1953, which occurred, when the late Chief S.L Akintola led a team of AG members to the North to campaign for support.¹⁴

14 S.EIbhasebhor and J.O. Aghahowa. Political And Constitutional Developments In Nigeria: 1900-1960

Lyttleton Constitution of 1954: By 1954, it became obvious that the Macpherson Constitution could not work any longer. Two major factors were responsible for the failure of that constitution. Firstly, as against the agreement for a federal state at the 1950 all Nigeria Constitutional Conference, the Macpherson Constitution provided for a unitary constitution and concentrated too much power in the central government

The Lyttleton Constitution that recognised the demands of each region was drafted. In addition to the existing three regions -- the North, the West and the East -- southern Cameroon attained a separate region each, with regional Legislative Council and Lagos, the Federal Territory.

to the dissatisfaction of both the north and the west. Secondly, the 1953 motion for self-government in 1956, by a member of the House of Representatives, Chief Anthony Enahoro of the Action Group Party, had generated serious crisis in the House, as northern delegates opposed the motion on the ground that the north was not prepared for such a sudden decision and the leader of the NPC in the House, Sir Ahmadu Bello, proposed that the 1956 date be substituted with 'as practicable as possible.' The crisis was aggravated when the Northern legislators were subjected to ridicule by the Lagos crowd. This sparked off the Kano riot of 1953 and the threat of secession by the north, leading to a conference that was hurriedly arranged and held in London where the decision to review the Macpherson Constitution was

reached. After some long drawn deliberations in London and Lagos between 1953 and 1954, the conference granted self-government to western and eastern regions which called for it. The status of Lagos also, which was hitherto controversial as it was considered not to be a part of Western region, leading the West to threaten secession, was resolved. Lagos became the Federal Territory with direct representation in the Central Legislature.

A new constitution which is the Lyttleton Constitution that recognised the demands of each region was drafted. In addition to the existing three regions -- the North, the West and the East-Southern Cameroon attained a separate region. They became independent regions with regional Legislative Council each and Lagos, the Federal Territory. At the Federal level, the office of the Governor became Governor-General while that of Lieutenant-Governor at the regional level was relabelled Governor. A Federal Supreme Court replaced the West African Court of Appeal, and High Courts were provided for regions, including southern Cameroon and Lagos. More autonomy was granted the regions; the regional executives could now formulate and execute policies for their regions except for matters under the Exclusive List of the Central government.

The London Conference of 1953 turned out the most agreeable constitutional deliberation that Nigerian nationalists would embrace before Independence. The Conference agreed to grant limited but specific powers to the Federal Government while the regions operated within the residual list. The 1957 constitutional conference ushered in two momentous developments; the formal attainment of self-government by both the eastern and western regions gained approval on August 8, that year. More importantly, the Prime Minister, Alhaji Abubakar Tafawa Balewa, set up a national government notwithstanding the regionalisation of the three major political parties - the AG, the NCNC and the NPC. Regrettably, however, despite the full participation granted Nigerians in the 1957 constitutional deliberations, Nigerian politicians did not display enough maturity that could guarantee lasting peace and unity. The growth of ethnic nationalism, and close association and allegiance of political parties to the major ethnic groups instigated the fear of domination in the

The growth of ethnic nationalism, and close association and allegiance of political parties to the major ethnic groups instigated the fear of domination in the minority groups, aggravated agitations for separate states and threats to national unity

minority groups, and aggravated agitations for separate states and threats to national unity. As Coleman aptly observed, "the interlocking leadership of the principal cultural and political association had further frustrated the tribalisation of political groups".¹⁵ There was also the deep-seated rivalry between the AG and NCNC in the quest to gain more votes in the opponent's region. The promise of autonomy to the minority groups created agitation for separate states by the Middle Belt movement, Benin-Niger Delta and Calabar-Ogoja-Rivers State Movement. The Henry Willink Commission was set up to look into the problem of the minority. On August 18th, the commission submitted a detailed report. Among others, it advised that creation of new regions rather than solving the problems would escalate it and recommended that one strong police force that would not be subject to the manipulation of regional politicians should be established. The report also recommended that place, where problems existed, should be treated as special areas and agencies that would complement development should be established in the areas while advising that fundamental human rights should be incorporated in the Independent Constitution.

Paradise won and lost

The 1957 and 1958 Constitutional Conferences: Despite the significant constitutional advancement brought about by the 1954 constitution, there was the need to hold further conferences in 1957 and 1958 to decide the following:

¹⁵ Coleman 1962

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1. The timing of full self-government for the three regions.
2. The question of minority problems and the agitation for creation of states.
3. Whether the northern and southern Cameroon should remain part of an independent Nigeria.
4. How provision would be made for the appointment of a Prime Minister at the centre.
5. The status of the police force.

The conference agreed to the granting of self-government to both western and eastern Nigeria on August 8th, 1957 while self-government was to be granted to northern region in 1959. The conference also considered the date for Nigeria's Independence and agreed that it should be October 1st, 1960. It was also decided that southern Cameroon should have regional legislature with a regional premier but the question of granting self-determination to the people of both southern and northern Cameroon through a plebiscite was not decided until 1961. Southern Cameroon voted to separate from Nigeria and

joined the Republic of Cameroon on October 1st, 1961, while the northern Cameroon voted in favour of remaining part of northern Nigeria. Another issue that faced the conference was whether it was feasible to create states before Independence. It was generally felt that in doing that, Independence would be delayed. At the conference, the AG took a strong position in support of the creation of states. It argued strongly that the problem of the minorities must be settled before the attainment of Independence. At the end, the issue of state creation was rejected and cosmetic compromise was accepted where-

At the Conference, the 1960 Independence constitution was approved. Nigeria became an independent and sovereign nation and the name changed from the 'Colony and Protectorate of Nigeria' to 'Nigeria'.

by specific constitutional safeguards for minorities were provided by entrenching fundamental human rights in the constitution based mainly on the convention of Human Rights which was signed in Rome in 1950. A second chamber of legislature called the Senate was established at the centre and consisted of 12 nominated members each from the North, West, East and Southern Cameroon plus four members from the Federal territory of Lagos and four additional members appointed by the Governor-General, acting on the advice of the Prime Minister. It was also agreed that membership of the House of Representatives should be increased to 320. In addition, the eastern region was allowed to create a second chamber - Eastern House of chiefs while the police should continue to be a united force under the federal government.

1960 Constitutional Conference: The main objective of the 1960 conference was to bring together all acceptable agreements of constitutional conferences of 1954-58. At the 1958 conference, Independence had been set for 1st October, 1960. The preparation of a new federal constitution was carried out at conferences held at Lancaster House

in London in 1957 and 1958 and were presided over by the British colonial secretary. Nigerian delegates were selected to represent each region and to reflect various shades of opinion. The delegation, which comprised party leaders, including Awolowo of the Action Group, Azikiwe of the NCNC, and Bello of the NPC, who were also the premiers of the western, eastern, and northern regions, respectively, was led by Balewa of the NNPC. The conference had re-examined and considered reports of the Minorities and Fiscal Commissions and other outstanding matters that could immediately plague the new nation at Independence. At the Conference, the 1960 Independence constitution was approved. Nigeria became an independent and sovereign nation and the name changed from the 'Colony and Protectorate of Nigeria' to 'Nigeria'.

The highlights of the 1960 Independence Constitution were as follows.

1. Nigeria became a federation with residual powers vested in the regions.
2. The executive authority of the federation was vested in Her Majesty, the Queen of England. But this authority was exercisable on her behalf by the Governor-General.
3. The Prime Minister headed the council of ministers. He and his ministers were appointed by the Governor-General in accordance with established conventions.
4. The executive authority of the regions was vested in the Queen whose representative was the Governor. The appointment of the Premiers and regional ministers followed established conventions.
5. The House of Representative consisted of 330 elected members.
6. Each region continued to be represented in the Senate by 12 persons
7. The Supreme Court was given original jurisdiction over disputes between the federal and any region and between regions. In addition the federal Supreme Court was given the power of judicial review that is, it could declare any federal or regional law unconstitutional.
8. The constitution conferred emergency powers on the Federal Government. It also guaranteed fundamental human rights.

Following the federal elections of 1959, Alhaji Abubakar Tafawa Balewa became the first Prime Minister of independent Nigeria. His party, the NPC, formed the federal government in a coalition with the NCNC, while the AG was in opposition.

The 1960 constitution modelled on the Westminster Parliamentary style came into effect at Independence on October 1st, 1960. The constitution transferred powers from an appointed Governor-General of the Federation and Governors of the Regions to the Prime Minister and Regional Premiers. It was not radically different from the 1954 Constitution; the Queen of England was still head of the Nigerian Government but this time represented by the Governor-General, Dr Nnamdi Azikiwe. The Governor-General, whose office

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was essentially ceremonial, represented the British Monarch as head of state and was appointed by the Crown on the advice of the Nigerian Prime Minister in consultation with

To an extent, however, the similarity between the federal and regional constitutions was deceptive and the conduct of public affairs reflected wide differences among the regions. The constitution on the whole granted the country political independence, it did not give it complete sovereignty.

the regional premiers. The Governor-General, in turn, was responsible for appointing the Prime Minister and for choosing a candidate from among contending leaders when there was no parliamentary majority. The government was responsible to a parliament, comprising the popularly elected 312-member House of Representatives and the 44-member Senate, chosen by the regional legislatures. In general, the regional constitutions followed the federal model, both structurally and functionally but with some notable departures in

the Northern Region, where special provisions brought the regional constitution in consonance with Islamic law and custom. To an extent, however, the similarity between the federal and regional constitutions was deceptive and the conduct of public affairs reflected wide differences among the regions. The constitution on the whole granted the country political independence, it did not give it complete sovereignty.

Before long, it soon collapsed; within six years of Independence, the constitution had failed basically due to the cracks that had started appearing within its first two years. One of the factors that led to the collapse of the first republic was the nature of political authority within the State. The president, who was constitutionally the chief executive, usually exercised his powers on the advice of the prime minister and his cabinet members. At this point, some were of the opinion that the Westminster model could not fit into African society where "the leader wants to assert his authorities without restraint."¹⁶

The country's government and politics from the time of amalgamation to Independence had been conditioned and bedevilled by the problems of accommodating several diversities: ethnic, linguistic, geo-political, religious (growing cleavage between Christians and Muslims), and class. The country had, therefore, become independent, deeply disunited with the political leaders, pursuing ethnic-based agenda, and so were the political parties, whose memberships were essentially regional. Nigeria gained Independence in 1960 and became a republic in 1963. The first post-colonial general elections were organised in 1964 and due to the turbulence, surrounding those

The uneven rate of development across sections of the country, which generally coincided with regional boundaries, strengthened the forces of regionalism.

16 Constitution Drafting Committee report, Vol. I, Federal Ministry of Information, Lagos, 1976

elections, largely in the opposition Tiv area of Central Nigeria and the Yoruba area of the West, the military intervened in a coup d'état in 1966 in which several political leaders and military officers were killed. The ethnically and regionally skewed killings by mainly Igbo-speaking officers attracted a counter coup in the same year and the killing of the Igbo-speaking Commander-in-Chief of the Armed Forces and Head of State, Aguiyi Ironsi, who was replaced by Yakubu Gowon, a minority officer, from Central Nigeria. The turmoil and violence that followed all the developments gave rise to the secessionist attempt by the Eastern region to declare the state of Biafra and a resultant 30-month civil war that claimed nearly three million lives. It was a macabre culmination of ethnic and regional political rivalries, essentially driven by the elites who were out to manipulate the social differences and fault lines for their personal gain. The uneven rate of development across sections of the country, which generally coincided with regional boundaries, strengthened the forces of regionalism. The creed became North for Northerners, West for Westerners, and East for Easterners. Despite the periodic creation of more states in the post-colonial era, regionalist feelings continued to manifest in national politics, particularly in the distribution of national resources as could be seen for instance in the ceaseless disagreements and rancour over revenue allocation. It also ushered in the winner takes all syndrome in the body politics by leaving the opposition in the cold. The opposition in the alienation would usually become very hostile and unwilling to contribute to national development with negative consequence to the political development of the nation.

The turmoil and violence that followed all the developments gave rise to the secessionist attempt by the Eastern region to declare the state of Biafra and a resultant 30-month civil war that claimed nearly three million lives

A problem compounded

The nation had experienced some progress in the first few years after Independence as the economic, health and social indices showed appreciable progress. Across the regions, development was healthy and competitive. The country seemed to have held out high hopes of a great future. The regions, however, remained suspicious of each other, with each and every one keen on protecting its interest alone without regard for the unity of the nation. The rivalry among political leaders of the ethnic divide was fearsome. This bitter political rivalry had lingered on from the build-up to the nation's Independence to the elections, which were fought with the singular intention of capturing power in each leader's region and at the centre, where they could lord it over the others.

The 1964 federal elections, which turned out to be the first after Independence, were at their bitterest. The elections were particularly chaotic in the Tiv areas of the North central and the South west, where there was general unrest. Soldiers were drafted to quell

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the unrests and also used to supervise the 1964 elections. Their involvement gave them a feeling of political efficacy. Thereafter came the beginnings of the "federal character" principle that sought to give each area some parity of representation which gave military personnel a sense of being sectional representatives. With the wrangling among the

A summit of military leaders at Aburi, Ghana, in January 1967 attempted to resolve the disagreements and recommended the establishment of a confederation of regions. The Aburi Agreement was not fully acceptable to all and what was agreed at that meeting became hotly contested.

politicians in the aftermath of the elections continuing, a desperate group of junior officers struck in January 1966 to overthrow the civilian regime. The officers were politically naive. This naivety and inexperience partly explains why Major Kaduna Nzeogwu and others, who were behind the coup, failed to take over power. This led to Major General Johnson Aguiyi Ironsi, the then Chief of Army Staff, becoming Nigeria's first military ruler. To many, particularly in the South, the coup was a "rescue" operation necessary to save the country from civilian ineptitude. It was however not viewed as such in the north where it was seen as an attempt by the Igbo people of the east to take over the politics of the country and dominate the federation.

A successful counter coup six months later, led by northern soldiers, demonstrated the degree to which the military had been politicised along ethnic lines. The first coup was induced by the nationwide disillusionment with the politicians, over the high level of corruption and selfishness that pervaded then, as well as their growing inability to maintain law and order and guarantee the safety of lives and property. Nzeogwu and his

The price of crude oil skyrocketed, following the Yom Kippur war in the Middle East. This created the oil boom, which facilitated reconstruction, but unfortunately heralded the era of rent-seeking and the pursuit of undeserving wealth.

co-travellers in the coup were initially hailed as national heroes, but the pattern of killings in the coup soon gave it a partisan appearance. Among those killed were the Prime Minister, Sir Abubakar Tafawa Balewa, a Northerner, the Premier of the Northern Region and the Sarudana of Sokoto, Alhaji Ahmadu Bello, the highest ranking northern army officers, the Finance Minister, Okotie Eboh and the premier of the Western region then, S. L. Akintola, both of whom were closely allied with the NPC, while just only one Igbo officer lost his life. Ironsi, an Igbo, who emerged as the Head of State, did little to allay the fears of Igbo domination.

He failed to place the coup plotters on trial as the northern leaders demanded and as he promised. He even went on to appoint Igbos to sensitive government positions. To further compound matters, against all advice, he promulgated Decree No 34 of 1966, which abrogated the federal system of government for a unitary system, arguing that the mili-

tary could only govern in that way. That action reinforced northern fears. With the North far less developed than the South, in their view, a unitary system would easily mean that southerners are “taking over control of everything,” as a northern spokesperson put it. At the height of northern opposition to unitarism, the counter coup of July 1966 took place. Most top-ranking Igbo officers, including Ironsi, were killed.

A young Lieutenant-Colonel, Yakubu Gowon, a Christian from the middle belt, became the head of state after the coup. He quickly reinstated the federal system along with the four regions and their allotted functions. But relations between the federal government and the eastern region, led by the Military Governor, Colonel Chukwuemeka Odumegwu Ojukwu, were now at their lowest ebb. Apart from the killing of many Igbo officers during the July counter coup, a massive attack on Igbos occurred in the northern region. Gowon, in September 1966, summoned an ad hoc constitutional conference to deliberate on the country’s political future. Most delegates from the regions to the conference, with the exception of those from the Midwest, advocated for a confederation to replace the federal system. Those from the eastern region argued for a clause to make it possible for any region, wishing to secede from the federation to do so. The conference ended abruptly with the increased killings of Igbos in the North and the heightening of tensions between the federal government and the eastern region. A summit of military leaders at Aburi, Ghana, in January 1967 attempted to resolve the disagreements and recommended the establishment of a confederation of regions. The Aburi Agreement was not fully acceptable to all and what was agreed at that meeting became hotly contested.

Gowon moved quickly to weaken the support base of the regions by introducing a decree for the creation of 12 new states to replace the four regions in the bid to check the moves by the eastern region to secede. Six of the states were of the minority areas that had demanded for state creation since the 1950s as Gowon had calculated that the eastern minorities would not actively support the Igbos, given the prospect of having their own states. The eastern region nevertheless declared secession and the Biafra war ensued between the eastern region and the federal government. The war lasted 30 months and ended in January 1970. Gowon accepted Biafra’s unconditional ceasefire and declared that there would be no victor and no vanquished. The years thereafter were dedicated to rehabilitation, reconstruction, and reconciliation. The price of crude oil skyrocketed, following the Yom Kippur war in the Middle East. This created the oil boom, which facilitated reconstruction, but unfortunately heralded the era of rent-seeking and the pursuit of undeserving wealth.

The federal structure was put in place by the various pre-independence constitutional conferences to foster Nigerian national unity.

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The Gowon government followed up with a nine-point transition programme that was to culminate in the handing over of power to a civilian government on October 1st, 1976. The agenda of the transition included the re-organisation of the armed forces, the completion of the establishment of the 12 states announced in 1967, a census, a new constitution, and election. Gowon reneged on most of the items, elections were not held and he did not return the country to civil rule as promised until he was removed through another military coup by General Murtala Mohammed in 1976. It is worthy of note that Gowon initiated several nation-building policies, the most notable of which was the National Youth Service Corps (NYSC), a community service institution that required compulsory one year of service by Nigerian youths immediately after graduation from a higher institution of learning. Each member of the corps had to serve in a state other than that of his or her origin. The idea was conceived to foster unity among Nigerians.

With the oil boom and a buoyant economy, the Gowon Government was encouraged to take on some responsibilities formally being handled by the states, particularly in the area of education. The structure of government under Gowon was basically unitary. At

At the apex of government was the all-military Supreme Military Council (SMC), which was the law-making body for the country. Its decrees could not be challenged in any court of law and it was mostly populated by state governors.

the apex of government was the all-military Supreme Military Council (SMC), which was the law-making body for the country. Its decrees could not be challenged in any court of law and it was mostly populated by state governors. There was also a Federal Executive Council composed of military and civilian commissioners. The states also had commissioners appointed by military governors. The states were practically reduced to administrative units of the federal government, which in several domains made uniform laws for the country. This basic structure of military federalism has, with amendments, remained the same all through military governments in the country.

Between the independent government in Nigeria in 1960 and the end of 1990, the military had ruled for 21 years. There were five coups d'état, involving changes of government and they included those of January 15th, 1966; July 29th, 1966; July 29th, 1975; December 31st, 1983; and August 27th, 1985. There was also an unsuccessful coup in which the Head of State, General Murtala Muhammad, was killed in February, 1976, and another was nipped in the bud in December, 1985. An attempt to overthrow General Ibrahim Babangida was made in April, 1990 but it was unsuccessful. Of these coups, only those of January, 1966 and December, 1983 were against civilian governments. Several explanations of military interventions have been added to those given by the coup plotters themselves. Coup plotters had always given as reasons for their intervention, economic mismanagement and corruption while others ranged from the continuation of ethno-regional politics by

military means to the personal ambitions of officers.¹⁷

The federal structure was put in place by the various pre-independence constitutional conferences to foster Nigerian national unity. With military rule, the country's federal structural arrangement was systematically dismantled, leaving the nation with a future challenge of how to reconstitute Nigerian federalism in a manner that would respect her diversity and the structure designed to positively tap its potentials such that would allow its regions to properly mobilise and utilise their human and natural endowments for the benefit of their people in particular and the Nigerian nation in general. Similarly, some of the primary purposes of national Independence from Great Britain in 1960 were to attain freedom for Nigerians and to increase the scope of self-rule for the governments of the federation and for the benefit of the various communities in the country. For nearly four decades after Independence, with three of these under military rule, Nigerians experienced a lesser amount of individual freedom than in 1960. Self-rule by the states, local governments, and communities virtually disappeared, with their autonomy removed by decrees and fiats from an overbearing Federal Military Government. Military rule erected oppressive structures of governance for its own convenience which cumulatively acted to make Nigerians lose their individual economic and social freedoms. Added to that, the centralisation of government functions and structures besmirched self-rule and autonomy of state, local governments and the communities.

Since the advent of the current civil dispensation, there are those, who argue that there is nothing significantly different from the style of governance of the current leaders and those of the military, an opinion well supported by such expert positions as those of Professor Julius Ohonvbere, a political scientist. He had stated that a government that takes over from a military regime and operates under the structures of governance left behind by military rule will be no different from a military government in style and conduct. As he argued, he expected that the first task of the civilian regime would have been a reform of governance in Nigeria. One way of going about that would have been to disband any structures of governance that were unnecessary for a federal system of government, and reforming others that were overburdened by over-centralisation through a thorough review of the structures of governance constructed by military rule and designing structures of governance that will permit a new partnership between the Federal and State governments. It must be borne in mind that the mil-

The first thing that the military does when they take over political power from politicians is to suspend sections of the Constitution that may restrain their powers and retain those they find helpful and commence ruling by decrees in place of the constitution.

¹⁷ The Library of Congress Country Studies and the CIA World Factbook

itary command structure is unitary, from top to bottom. That is the mentality, system and structure that they brought to government and of course, they could not have bequeathed anything different when they departed. As it is said, *Nemo dat quo non habet* (no one can give what he does not have!). This is why it was ironical that military rulers, who ruled in disregard of the Constitution, have chosen to write Constitutions for the civil regimes that would succeed them. There were three of these military-supervised Constitutions, the 1979, 1988, and 1995 Constitutions. Each of them was put together with instructions not to go into certain areas close to the heart of the military (the so-called "no-go" areas), such as attempts to ban military coups d'état.¹⁸ Each of the constitutions concentrated powers at the centre such that the powers of the regions (now states) in the original 1963 Constitution, which the military wanted to replace, were significantly diminished; the military-supervised constitutions effectively rendered Nigerian federalism impotent. The original 1963 Constitution contained constitutional laws from the constituent regions (now states) of the Federation; the military-supervised constitutions ignored the need for state constitutions, having been crafted in "unitary command", in their own image.

The military had a lot of contempt for the nation's Constitution. (The first thing that the military does when they take over political power from politicians is to suspend sections of the Constitution that may restrain their powers and retain those they find helpful and commence ruling by decrees in place of the constitution). The decrees were usually broad

Under the military rule, the Federation Account was badly abused

in scope and override the authorities of the law courts. There were instances where they disregarded unfavourable court rulings that apply the logic of their decrees. Consequently, the Nigerian military rule operated outside the law, which is partly responsible for the challenges that the nation continues to experience with rule of law deficit and the inability to settle disputes through amicable negotiations in preference of the current practice of "the immediate effect" command, "self-help", brute force and survival of the fittest. There is need for state (regional) constitutions, where the military-supervised constitutions departed in major ways from the formula adopted in the 1960s as an appropriate way of running the affairs of Nigeria as a federation, not as a de facto unitary state that military rule has imposed. It is important that the Federation Account is fully respected as an agency for fair allocation of constitutionally allocated funds. Under the military rule, the Federation Account was badly abused. Considering their long hold to power and what they left of the country at their exit in 1999, military rule in Nigeria was an aberration and a retrogressive phenomenon. The military institution represented by its leadership is a sub-class of the

18 Ihonvbere J.O., (2000). *Towards Participatory Mechanisms and Principles of constitution making in Africa* in CDHR, Path in People's Constitution CDHR, Lagos.

national controlling elite. Based on the inter-relationship within this class, military intervention in politics was a stop-gap on latent public outcry against government. Each time there was the possibility of a mass revolt by the people against oppressive and scandalous leadership, and each time the masses became restless and ready to effect a change in leadership due to the inability of the ruling class to respond adequately and effectively to popular demands, the military moved in to intervene. The military leadership, having toppled the previous government, use state power to restore normalcy, maintain an uneasy calm, law and order and return the country to the status quo ante. The usual abortion of imminent mass revolts via military coups made the military an obstacle to revolutionary progress and cumulative learning process. Although coup leaders often promise an overhaul of the system on taking over, they hastily execute conceived and cosmetic populist policies to legitimise their illegal seizure of power and win public sympathy to their cause before embarking on the familiar terrain of using the old, decadent, corrupt and bankrupt socio-economic and political strategies with some nominal modifications.

While it would seem that the bastardisation of the Nigerian Federalism - over-centralisation of power at the centre and total erosion and destruction of democratic values in the federation - represents the greatest damage the military did to the country's political system, there are such other arguments that the military almost legitimised corruption in the country and took it to a level never witnessed before. The effect of their corruptive tendencies is still very much around today. All of their acts were totally not unexpected, going by the nature and command structure of the military. Military rule is antithetical to federalism, democracy and good governance. There is indeed an enormous weight of scholarly evidence, supporting the view that 30 years of military rule consistently altered Federal/state/region relations in favour of the former, to the extent that Nigeria ultimately became more of a unitary state than a federal one. This is not to talk of the personal and economic freedom that military intervention eroded, their economic stop-go policies that created stagnation and economic backwardness etc.

For the 30 years the military was in power, little or no value was added to the political, economic and social lives of the people. The nation's infrastructure decayed. Although one or two power plants were added to the country's energy infrastructure, the existing power plant and transmission network were barely maintained thereby throwing the nation into darkness in an age when energy was required to drive technology and economic development. The health and educational sectors deteriorated significantly. The hospitals, which used to be among the best in the world, where the Saudi Monarch and a retinue of his family members, visited the University College Hospital, Ibadan, in the 1960s for a surgery, are now mere consulting clinics. All in all, the economic effects of military rule were disastrous. The traditional agricultural-based economy was abandoned

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for the export of crude oil and the related rent-seeking opportunities it gave the military and their friends. This has continued to render the economy unstable due to frequent fluctuations in oil prices. Essentially, the focus was on how to put money in private pockets as opposed to the good of the nation. As a result of the military economic policies of the 1980s, 45% of the nation's foreign-exchange earnings went into debt servicing which further stagnated growth, causing poverty to escalate. Crime, child abuse, disease, institutional decay and urban dislocation took over. The instability and dissatisfaction caused by these policies was one of the causes of the consistent occurrence of coups. The military did not only leave the country with almost the worst global development indicators, it underdeveloped the country and turned its aspirations upside down. It was the worst of times for the country. Military incursion into politics and their 30-year overbearing "immediate-effect-unitary-and-top-to-bottom control" unleashed retrogressive political, economic and human development on the people which need to be corrected with finality.

A retrogressive war

The Nigerian civil war, also known as the Nigerian-Biafran war, fought from 6th July, 1967 to 15th January, 1970, was a political conflict caused by the attempted secession of the south eastern region of Nigeria when it proclaimed itself the Republic of Biafra.

The country was made up of three predominant ethnic groups in the multi-ethnic country that the British called Nigeria - the Igbo, in the southeast, the Hausa-Fulani in the north and the Yoruba in the southwest. The differing political systems among these three groups reflected and produced divergent customs and values, which even before the nation attained Independence, had begun to show some difficulty in their harmonisation and integration to foster one indivisible

The civil war did not solve any of Nigeria's problems and challenges. Instead, it compounded them.

nation. However, the Igbo people, after embracing western education, though a little behind the southwest and actively and overwhelmingly adopting Christianity and owing to population pressure in the Igbo homeland combined with aspirations for monetary wages, drove thousands of them to other parts of Nigeria in search of work. Igbo tradesmen and literate elites became active not just in the traditionally Igbo south but throughout the country such that by 1960, Igbo political culture was more unified and the region relatively prosperous¹⁹. The Hausa-Fulani, who had always been wary of possible Igbo domination, became uncomfortable with all these and in fact were concerned that the Igbos were taking over business and commerce in the North. Consequently, the Igbos became the target of serial attacks in the north. The January 15th, 1966 coup which was carried out by young Igbo military officers and the counter coup

19 Audrey Chapman (Feb 1968). Civil War in Nigeria. Midstream.

of July, 1966 by northern military officers did in fact break the camel's back and compounded the problem.

By the time the 30-month old civil war eventually commenced in 1967, the nation was conclusively on the verge of disaster. When the war effectively ended in 1970, no fewer than three million souls had perished whilst some cities and towns in the east were reduced to rubbles. Igbo refugees that required to be rehabilitated, reunited with their families or resettled were in their millions. The economy of the country in general and that of the eastern region in particular was in tatters.

Although the military did not start corruption in Nigeria, they compounded and extended the problem

At the time of the war, the late sage, Chief Obafemi Awolowo, was the Vice Chairman, Federal Executive Council and Minister of Finance. At a public lecture after the war, he had this to say: "... at the outbreak of the civil war on July 6th, 1967, apart from lack of adequate military preparedness on our part, the finances of the Federation were neither mobilised nor deployed on proper war footing, let alone for the long, protracted, and expensive military campaign we had had to conduct. During the war, we had to plan rigorously and think big to survive as we have done, without any blemish on our national honour and self-respect.

The momentous challenges of peace and the acknowledged and proven potentialities of our great country for giant economic growth enjoin upon all of us greater exertions of body, brain, and mind, now and in the years to come." In that spirit, General Yakubu Gowon, then Head of State, declared this at the end of the war: "The tragic chapter of violence is just ended. We are at the dawn of national reconciliation. Once again, we have an opportunity to build a new nation. My dear compatriots, we must pay homage to the fallen heroes, who have made the supreme sacrifice that we may be able to build a nation, great in justice, fair trade, and industry."

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The civil war did not solve any of Nigeria's problems and challenges. Instead, it compounded them. At the end of the war, the South-east of Nigeria had suffered a great blow in every area of survival. The war cost the Igbos a great deal in terms of lives, property and infrastructure. It has been estimated that up to three million people may have died due to the conflict, hunger and diseases. Reconstruction, aided by the oil money, was swift but this too was a source of corruption and ethnic tension as it was argued that the funds budgeted for this purpose were diverted thus, increasing the ethnic tensions that

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already existed. Furthermore, the war made manifest the problems of Nigeria which still remain unsolved till today. These challenges, which continuously form the discussion in this book, include unfaithfulness to the nation and to one another in particular, tribalism, nepotism, corruption, unnecessary optimism, power dominance, avarice, irrationalism, insecurity and the inability to properly harness the country's abundant resources. These challenges still dominate Nigeria's present social, political and economic life. As a nation, the people are yet to build the virtues of political ethos, honesty, tolerance and patriotism. The future continues to be bleak and mortgaged in the interest of the few and to the detriment of the majority.²⁰

The war gave reasons to the military to remain in government for many years, preventing the people from gaining political experience. The military did not promote equity in the creation of states and local governments, which along with the federal government constitute the three tiers of government. The challenges have led to the people in the oil-producing areas claiming that they were being denied a fair share of oil revenues which are generated from their communities. States like Lagos claim that Kano was better treated than them in terms of local government creation, even though the population of Lagos is argued to be more than that of Kano. However, the military did not encourage or carry out a successful census, neither did they make efforts to objectively settle such issues. In the absence of incontrovertible census data, planning was half-hearted and impossible. Although the military did not start corruption in Nigeria, they compounded and extended the problem. During the war and given the difficulties of keeping account of personnel numbers, military payroll were riddled with ghost soldiers to inflate military salaries. Supplies were tripled such that contractors round-tripped supplies and collected payments two or three times for one single supply. On the other hand, people with bent minds started working out how to siphon off the newly found wealth of the emergency contractors, and armed robbery was born with Oyenusi, being the first armed robber to be publicly executed by firing squad at "the bar beach show".

In the midst of all these, there is the argument that the Igbos have not really been truly reintegrated into Nigeria given that they have not produced a president - the icing on the cake at the centre. They have refused to forgive the West, the Yorubas in particular for some reasons. One is, Chief Obafemi Awolowo's alleged role in the war, which in their opinion, negated against their interest and is responsible for their not being fully re-integrated into the nation's scheme of things. They believed that Awolowo hated them so much, and had ensured that government policies - public enterprises and the indigenisation

20 Okafor, J.O (1995). *The Nigerian Civil war in Aguleri*, Unpublished B.A Thesis, University of Nigeria Nsukka

degrees - were promulgated and introduced immediately after the war, when they did not have the wherewithal to fully participate in the schemes, in a bid to side-track them and give Yorubas an upper hand in commerce. The companies affected were offered for sale and Yorubas took up, unchallenged, the plum positions being vacated by foreigners for qualified Nigerians under the policies.

Added to that was the exchange of the Biafra currency for the Nigerian currency after the war, which they felt was unduly exchanged at a very low value to the Nigerian currency to deliberately slow down their recovery from the war, then there was the issue of their abandoned property, which in their view, the Nigerian state has not wholly addressed till date. There was also the grudge until recently under the Obasanjo and Jonathan presidencies when the issue was addressed, that Biafran soldiers were neither re-integrated into the Nigerian army, their ranks were not restored nor were they retired and paid their entitlements. They also claim that they were deliberately not being appointed to occupy certain positions in the federation, particularly in the military and other security services since the civil war. With all these setbacks, dissatisfaction, and increasing sense of lack of allegiance to the nation at all levels, the quest for a nation that all Nigerians can be proud of, continues with the conveyance of conferences upon conferences. The question however remains, whether Nigerians have learnt anything or forgotten anything. If this is so, why has the knowing and doing gap continued to widen day after day?

The post-war patchwork

After being under the long spell of military dictatorship (14 years to be precise), the Obasanjo regime, in line with its transition programme appointed a 50-man constitution drafting committee in 1978. The committee wrote a draft constitution after which a Constituent Assembly, established through a military decree in 1977, was put in place with 230 members to deliberate on the draft constitution. Of that number, 20 were appointed by the government while the others were elected by the local councils as electoral colleges.²¹ The constitution ushered in a civilian regime in 1979, which was again overthrown by the military in 1983. The Buhari, Banbaginda, Shonekan and Abacha regimes followed. The Constitutional conference, which produced the 1999 Constitution, was inaugurated in 1994 by the Abacha regime in the wake of the turmoil that greeted the annulment of the June 12, 1993 Presidential election by the Babangida regime. One-third of the members of the conference were "elected". Those appointed were pliant individuals, who openly canvassed the position of the Abacha regime on the floor of the Conference. As was expected, the Abacha regime used its effective

21 Routledge & Kegan Paul (1985) *Encyclopedia of Social Sciences*, Vol. 3, London, (Also see, Commonwealth Human Rights Initiative. "Consultation on Participation in constitution Making recommendation to CHOGM", Holiday Inn, Burgerspark, Pretoria, 16-17 August, 1999.

grip on the technical and executive committees of the Constitutional Conference to manipulate the decisions arrived at on the floor of the Conference. Nevertheless, the body identified and somehow discussed Nigeria's problems for well over a year before it wound up. No doubt, the Conference had an image problem, as participants were highly discredited. Suffice it to say, however, that, in spite of the tensed-up political atmosphere under which they worked, the body brought some ideas that could lead to solving part of the nation's myriad of problems. Immediately after the conference submitted its reports, the Abacha regime appointed another Constitution Review Committee (CRC), consisting of about 40 persons to "rework" the report and evidently

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make it in tune with the self-succession agenda of his regime. When the CRC finished its task in 1997, its report was further subjected to scrutiny by a group of close advisers to General Abacha. The point to note is that the recourse to the drafting of the constitution by the Abacha regime, apart from securing his self-succession agenda, was merely diversionary in order for the regime to consolidate its hold on the nation. Expectedly, the regime reasoned just like the Babangida initiative that once the people were pre-occupied with the "why and how" of constitution-making, their attention would be diverted from the monstrous policies of the regime.²²

There was the Justice Muhammadu Uwais National Political Reform Conference (NPRC) of 2005 organised by the Obasanjo administration, which was set up to review the constitution for the country. In spite of the billions of naira and energy dissipated on the conference, its report was not put into effect.

In spite of the numerous conferences aimed always at finding a lasting and workable constitution for the myriads of national problems, the country has not been able to arrive at a generally acceptable document that sets out the rules and laws to govern it

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in a constitution. The nation, again in 2014, empowered another 492 delegates for a National Conference. While it may be difficult to predict the outcome of the conference, there is a groundswell of objections to some recommendations of the Senator Femi Okunroumu-led Presidential Advisory Committee (PAC), which worked out the modalities for the national conference. While the committee recommended that the outcome of the conference be ratified

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by the National Assembly, many Nigerians, including some of the delegates prefer that the outcome is subjected to a referendum. But to Professor Ben Nwabueze, an elder statesman and foremost constitutional lawyer, who was a leading member of the committee that drafted the 1979 Constitution, the ongoing National Conference, as constituted by President Goodluck Jonathan, lacks the capacity to draft a constitution to be submitted to the people for approval through a referendum. According to him, it lacks the capacity of a constitution-making body. In his words: "The convocation, its composition, its functions, its modus operandi are not catered for by law. It is established entirely by virtue of the inherent powers of the president under Section 5 of the Constitution. With its limited functions, its establishment is within the immediate powers of the president. The conference, which is not established under a law enacted by the legislative authorities of the country, cannot adopt a constitution. It lacks the capacity to draft a constitution that will be binding on everybody as law. It's just a talk-shop. Its functions are merely deliberative and advisory. So, there is no harm in talking. If they talk for three months, something good may come out of it but, certainly, not the adoption of a new constitution. But what we want is a new, better and united Nigeria. That is what we want. There is no way you can get it from this conference. Even if you talk for one year, there is no way you can get it in this conference, we must all realise this. You can get something, but not a new and united Nigeria. You can't, because of the limitations of this conference. It has no powers, it has only functions".²³ As Nigerians anxiously await the outcome of the conference, it will be sad if again, this opportunity to properly re-organise the nation is blown and continue to stumble, wobble and fumble as a nation to await another experimental conference in future.

Forging ahead regardless

By 29th May, 2015, when the current administration of President Goodluck Jonathan would be succeeding itself or handing over to his successor, the country would have successfully experimented with democracy and civil rule for 16 years non-stop. This is the first time since Independence that the nation has experienced this unbroken chain of civilian rule. But it has not been easy coming this far. The pitfalls remain as ever before even though the country throngs on amidst crises of insecurity, ethnic militia groups across the divide, a destabilising insurgency in the North east, a soaring youth unemployment, new dimensions daily in criminality from armed banditry to kidnapping, ritual killing, sea piracy to oil theft and burgeoning corruption amongst others. Religious and ethnic distrust has heightened, just as a free, fair, and credible election is still a mirage. It is almost now impossible to provide younger Nigerians with any inspiration that they can grow and compete with the best of other nations. Is there any hope then that the nation will continue to have an uninterrupted civil rule this

23 The Nation Newspaper, February 9, 2014

time around, how does the nation build a system of government in which the people would come first?

Nigerians have gradually become inured to bad things such that they are no longer startled when they hear news of how many more billions have been stolen from the state coffers or how many people have been killed in a day for one reason or the other. But it should not remain like this. Things must change for the better. There are suggestions, therefore, that the way to enhance democratic governance in Nigeria is firstly for the best, the brightest and the fittest among to get involved in politics at all levels

We need a more sensitised and engaged citizenry, one that actively participates in the process of governance beyond merely casting a vote.

and secondly, to educate, enlighten and empower the people. The people need to be empowered to ask questions and challenge their government at all levels. If an average young Nigerian devotes as much time as he does to European soccer to the governance of his or her country, the nation will get out of the doldrums very quickly. The greatest asset of a badly run government is a disempowered and unconcerned citizenry. A nation where people routinely look away from cases of abuse of office by government officials is a nation where people will be routinely abused. It is a nation that will remain in the muck for a long time.

A reverend gentleman emphasised: "More than ever before, our activities as social crusaders, activists, critics, patriots and particularly as Nigerians, must be that of exhorting and educating our territories of influence, especially within Nigeria. We need a more sensitised and engaged citizenry, one that actively participates in the process of governance beyond merely casting a vote. As the former British Prime Minister, Winston Churchill, said: "The best argument against democracy is a five-minute conversation with the average voter."

There must be a core-catalyst group, ready, willing and able to ignite the fire of change, foster the enlightenment of our people and pay the prize for their total liberation

If the people become the very structure of democratic governance, the people can begin to chart the journey towards the ideals of democracy. The nation will definitely not get there in a hurry, but at least the journey would have begun. It is, altogether, a lifetime journey, one that does not offer a short cut. Democratic governance in Nigeria does not promise to make us perfect, but at least, the process of striving will make us a better people. To make this happen, there must be a core-catalyst group, ready, willing and able to ignite the fire of change, foster the enlightenment of our people and pay the prize for their total liberation from the stranglehold of power prodigals, who possess power for

self and not for service, talk less of the overall welfare of their people and development

of their nation.

With the troubling times of the country and its young democracy, the road President Goodluck Jonathan has taken in organising the National Conference is most ideal if the conference is genuinely conveyed and is made to work conscientiously to produce an acceptable constitution by the people.

CHAPTER EIGHT

Political misadventure

- For the good of all
- Good governance indicators
- Right covenant wrong practice
- More of a burden
- A do or die fight for the plums
- Grappling with foreign political systems
- The struggle continues
- Weakened scales and dodgy blindfolds
- One more effort

For the good of all

Governance, from the perspective of the World Bank Report (1989), is the exercise of political power in the management of a nation's affairs. By implication, governance stretches from the state's institutional and structural order, decision-making processes and implementation capacity to the relationship between the governing organ and the governed (the people) in relation to their standard of living. Good governance in the view of Odock (2006:3-5), is "a system of government based on good leadership, respect for the rule of law and due process, the accountability of the political leadership to the electorate as well as transparency in the operations of government".¹ He further argued that transparency demands that government business is carried out in an open, easy to understand and explicit manner. Rules made by government, policies being implemented and the results (inclusive of all other activities of government in that regard), in his view, must be easy to verify by the citizenry as a whole. Therefore, accountability as a component of good governance, Dr O Igho Natufe², added, demands that those, who occupy positions of leadership in government, must give account or subject themselves to the will and desire of the society and the people they lead.

1 Odock C. N. (2006). *Democracy and Good Governance*. Lagos: NOUN

2 Dr. Natufe, Igho O. (2006). *Identity Crisis and Political Contest in Nigeria*. Ottawa, Ontario, Canada

Is that the case in Nigeria today? Of course not. The state apparatus or political leaders (as they are better referred), have continued to use or misuse power to undermine the social and economic development of the country, promoting agendas, depriving the larger majority of the masses of the good things of life. Good governance is in tandem with democratic governance, known for and characterised by its valued principles of the rule of law, accountability, participation, transparency, and human and civil rights. These governance qualities have the capacity to drive the development process of a country. During his August 2006 visit to Nairobi, Kenya (his original fatherland), the then Senator Barack Obama had regretted at a speech-giving ceremony in the Kenya Capital that for all the progress that has been made, the African continent generally was yet to create a government that was transparent and accountable, one that served its people and was free from corruption which undermined the governance process. That was long before he became the President of the United States.

Corruption erodes the state from the inside out, sickening the justice system until there is no justice to be found

Obama, who was widely quoted in media reports, had in the following words captured the state of bad governance in Africa, Nigeria inclusive: "Governance in Africa is crisis ridden and it is a crisis that is robbing honest people of the opportunities they fought for. Corruption erodes the state from the inside out, sickening the justice system until there is no justice to be found, poisoning the police forces until their presence becomes a source of insecurity rather than a source of security. In the end, if the people cannot trust their government to do the job for which it exists, to protect them and to promote their common welfare, all else is lost". As witnesses to the parlous state of affairs, governance is almost non-existent in the country, with the state now virtually unable to provide the people with good and effective healthcare system, education, clean water, electricity, physical security, a salutary environment, and a decent transport system.

It was on the basis of this that Onifade (2011) posed the critical question on whether it is possible to have good governance without good leadership.³ The fact remains that good governance is derivable from good leadership, realising that where there is effective and efficient leadership, there is bound to be good governance. The late Professor Chinua Achebe had in his book, *The Trouble with Nigeria*, posited in 1983 that the failure of leadership to rise to its responsibility, to the challenges of personal exemplary life, clearly shows why the nation has the problem of true leadership. It is exemplary leadership that can uplift the people, better the lives of the citizenry and see that the people as much as possible enjoy public resources without ado, as is the case in most advanced democracies,

3 Onifade, D. (2011). Power Supply: We Need the Facts. *The Guardian*, Wednesday, 23 February.

including the United States, Canada, Switzerland and the new emerging nations such as Singapore, Malaysia, Taiwan and South Korea, among others. Given this fact such legendary scholars as Migdal (1988) and Zartman (1995) had theorised that, in the absence of good governance, a nation may experience state collapse or failure. A state, they had enunciated, is meant to be an organisation, comprising several agencies led and co-ordinated by an executive authority (leadership) with the capacity and authority to make and implement the guiding rules over the people and applying force where necessary to have its way. Zartman (1995),⁴ took it further, explaining that the status of a state is reviewed as failed or collapsed when it exhibits inability to fulfil such functions of a state, as sovereign authority, decision-making and institution and act as a security guarantor for its population. In this situation, he stated, nothing is guaranteed any more with the possibility of structure, authority (legitimate power), law and order giving way at any time.

Good governance indicators

The Worldwide Governance Indicators Project defines governance as the set of traditions and institutions by which authority in a country is exercised. The political, economic, and institutional dimensions of governance are premised on six aggregate indicators, which are voice and accountability, political stability and absence of violence, government effectiveness, and regulatory quality, rule of law and control of corruption. These are discussed below particularly as they relate to Nigeria's ranking against the comparators that have been under review.

Voice and Accountability: Going by the Worldwide Governance Indicators of the International Bank For Reconstruction and Development (IBRD)/The World Bank, Voice and Accountability under the good governance indicators is measured by the extent to which the citizens of a country are able to participate in the process of selecting their government, the level of the citizen's freedom of expression, of association and the freeness of the media in the country. Voice and Accountability is an assessment of how matured and well-established the political system is. It is also an assessment of how far political opposition operates within the system or attempts to undermine it from outside. This aggregate indicator also takes a look at how well the population and organised interests groups can make their voices heard in the political system, to ascertain if representation is handled fairly and effectively to ensure greater stability and better designed policies. It has to do with democratic accountability, which quantifies how responsive government is to its people, realising that the less responsive it is, the more likely for it to collapse peacefully or violently. It also takes interest in whether free and fair elections are in place,

4 Zartman, I.W., 1995. Introduction: posing the question of state collapse. In: W. Zartman, ed. *Collapsed States: The Disintegration and Restoration of Legitimate Authority*. Boulder, co: Lynne Rienner, 1-14.

the popularity of a government and the likelihood of the government to remain in power.

Voice and Accountability is a major component of the elements of governance since it is imperative that citizens participate at all levels of their government's decision-making process. It is expected that their involvement in the electoral process does not end merely at casting their votes, but it should include ensuring that their votes are counted and valid. For effective participation in public policy, it is essential for citizens to organise themselves into credible interest groups (professional associations, academic unions, student unions, labour unions, non-governmental organisations, etc.) that constantly review government policies, articulate the positions of the general population, and engage elected officials in public debates, regarding the rationale and impact of their policies and programmes on the population. The evolution of the representative system of government with roots in the Greek City State, and the spread of democracy globally have made the need for selection of representatives for the purpose of governance, an imperative.

For a nation as Nigeria, which until recently had spent many years under military rule, the people could not be said to have been involved in the process of determining who governed them. Just after six years of her Independence, the country and the people lost their right to select their leaders through a democratic process after the military intervention of 1966. From then on, it was one coup after the other, in a military political power game of one military ruler succeeding the other, save for the four-year brief period of the second republic in 1979-1983, before the military returned again. After a prolonged military rule and a bitter struggle to wrestle the country from the stranglehold of military authoritarianism and return to complete democracy, the military finally ceded power to civil rule in 1999. But like it happened during the electoral process in the failed first and second republics, it appears that the people, politicians precisely, we learnt no lessons, as the will of the masses is not allowed to prevail, the electoral process is manipulated and the people's right to freely pick their choice leaders was continuously denied them.

The good thing, however, is the fact that with the representative system of government in place, the political space has widened. By the last count, Nigeria had over 50 registered political parties, though only a handful have the strength to present candidates in elections. Recently, the All Peoples Congress (APC), a merger by three parties, – the All Nigeria Peoples Party (ANPP), Action Congress of Nigeria (ACN), Congress for Progressive Change (CPC) – and a faction of the All Progressive Grand Alliance (APGA), emerged on the scene to present for the first time a credible and viable opposition to the ruling party. Before then, the People's Democratic Party (PDP), since the return to civil rule in 1999, had a field day, with all the parties apart from

Members cross from party to party as it suits them, depending on their interest and what they can immediately gain.

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the PDP, who were able to present candidates for elections, either regional in outlook or existing only in a state or two. As if that is not bad enough, there is absence of democracy in the parties, with party leaders and flag bearers handpicked and imposed on the other members and the people as their representatives, just as party discipline and supremacy has remained a luxury. But most threatening to the cohesion and existence of the parties is that, politics in Nigeria is not rooted on ideology and parties are not founded on ideological lines the same way members are not committed ideologically. Members cross from party to party as it suits them, depending on their interest and what they can immediately gain. And in a country, where politics is winner takes all, an enterprise to be profited from and not a vehicle for elections for the purpose of development and the good of all, everybody wants to be in the ruling party to the detriment of the opposition parties.

Elections, which are known to be systematic avenues for expression of popular desires and means through which the masses indicate their preference both in favour of available parties and candidates to lead them, are themselves flawed as rigging does not only take centre stage, it is promoted to assume legitimacy. The process through which these nefarious activities are achieved are by legions; voters are disfranchised in areas where preferred candidates or those of the ruling party are unpopular, through late or non-arrival of voting materials to make voting in such areas impossible. Ballot boxes are snatched or stuffed with thumb-printed ballot papers at unauthorised centres, electoral materials are destroyed, party agents are bribed to abandon their polling centres to allow for manipulation by the opposing party, and alteration and announcement of false results by returning officers amongst many other acts persist. There is also the issue of multiple registration of voters in the stronghold of certain candidates, to permit multiple voting and the use of hired voters to vote with other people's voters' cards. Lately, money and other gift items like food and household items are massively distributed on the eve of elections, playing on the high level of poverty among the people, to induce voters to sway votes to particular candidates and parties. The press has derisively termed this act as, 'stomach infrastructure'. In democratic settings, free and fair elections represent the only available means by which the citizens in any given political system indicate their preferred persons for political offices. Elections, therefore, serve as an important means by which the electorates or the masses are empowered to have a say on how they intend to be governed, who should govern them, and the policies of their governance. An elected person, who has not served well, is voted out at the next election, thus making the elected accountable to the electorate. However, in a corrupt environment like Nigeria, the supremacy of the electorate is unfortunately subverted through electoral malpractices.

While Nigerians in the guise of practising democracy would appear to have been equipped constitutionally with the power to choose their leaders and thus have a say in their selection process, in practical terms their role is curtailed through a dishonest and volatile

electoral process, highly monetised electoral system configured through imposition of candidates by parties, party leaders, sponsors and the legion of corruptive influences that have permeated the fabric of the nation. Power brokers, calling themselves god fathers, a selected powerful few, largely comprising of the re-cycled politicians of the first and second republics and their off springs, as well as military politicians (retired and serving), do not only determine who becomes relevant in the political power equation of the country, they refuse to let go of political power.

Consequently, they subvert the will of the people and prevent the triumph of popular choice. These godfathers consider it suicidal to allow the masses hijack the system from them. They are scared of a revolution that would bring a change in the nation's political equilibrium. Instead, they promote the corruption of politics to keep the people at bay.

They elevate a few surrogates who are charged with perpetually captivating the people and continuously messing up the system, while fighting tooth and nail to prevent an overhaul of the prevailing order, as they fear that such transformation will sweep them into oblivion. At the local government level, which essentially represents governance at the grassroots, the machinery of government has been hijacked by state governors, who appear to see that tier of government as an extension of their state houses. Things have become so bad that elections are no longer held to elect councillors

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and chairmen at the expiration of their tenure. For instance, as was the case in many states of the federation, in Anambra State, all through the two terms of eight years of Governor Peter Obi, local government elections were not held until the eve of his departure from office. Surrogates of the governors and nominees of powerful party leaders and godfathers are appointed into illegal caretaker committees, unknown to the constitution, to run the councils and report directly to the governor. In states where local government elections are held, all councillorship and chairmanship seats are won by the party in power. Members of the state electoral commissions, some of whom are usually members of the ruling party, are appointed by the governor, who also funds the commission and make members subservient to him and his party.

Democracy is not about elections alone, elections must be hitch-free for democracy to thrive in any nation and for the participation of citizens to be ensured. Such a buy-in is necessary in order to lay a sound foundation for the socio-economic and political growth of the country. As is the case with any political space, where free and fair elections are hindered and a transparent participation of the people in elections is not guaranteed, the consequences are similar to that of Nigeria today. When governments are formed through elections that are tainted with rigging, violence, and apathy on the part of the

citizens, enthronement of incompetent and corrupt leaders become the order of the day, and the result is economic and political retardation as the government battles legitimacy and accountability is challenged. While freedom of expression and association may have appreciated significantly in the country since the return of civil rule, which has raised the country's profile, the Police and the Directorate of State Security (DSS) seem not to have fully realised the significance of these constitutional provisions for Nigerians. Also, the benefits of freedom of association have not permeated the private sector of the economy. The relevant Nigerian labour laws grant employees, numbering 20 and above in private enterprises, the right of association and unionisation which is to be so recognised by their employer for the purpose of demanding for their rights and protection for the purpose of enhancing their welfare in employment. A large proportion of privately owned organisations do not permit unionisation by their workers or affiliation to trade union organisations. To many employers of labour in the private sector (the oil and gas in particular and even the banking sector) the mention of unionism by their workers is a taboo and potential leaders are not only haunted down and treated with disdain, they are systematically taken out of the system and disengaged. It is to a large extent the same with some government departments and agencies and the practise seriously undermines the citizen's right to freedom of association and expression.

In spite of a long existing court ruling that freedom of association, expression and of assembly cannot under any guise be compromised (as provided in the 1999 Constitution), the Nigerian Police Force (NPF) has continued to insist on application for permit by Nigerians, before they can embark on public rallies, demonstrations or protests. Hiding under the excuse of not obtaining permits before staging rallies, the police and the DSS

Government and the media are inseparable; both cannot be isolated from each other because they are both institutions of the society.

are often in the habit of forcefully breaking up peaceful protests by branding them as 'impinging on public security or safety'. The leaders of the organisers of such rallies are sometimes arrested. Once the objective of disorganising the protest has been achieved, the arrested persons are released without being charged to court for any known crime under the law. The continuous breaking up of peaceful rallies, protests and demonstrations against unpopular government policies, actions and programmes is a negation of the principle of freedom of asso-

ciation, assembly and expression. Similarly, critics and human rights watchers also strongly feel that the recent Anti-Gay law, save for the argument of culture and religious moralisations by the government, was not only discriminatory but a violation of the universally agreed right to private life and freedom of association. To some others still, the 'Wire-Tap' Bill before the 7th National Assembly would further render comatose the principle of freedom of expression as enshrined in the constitution. Titled 'A Bill for An Act to Provide for the Interception, Development and Protection of Communications

Networks and Facilities for Public Interest and Other Related Matters, 2013; the law will permit security agencies to monitor and track conversations on telephone and the internet. The implication is that phone calls and internet communications made by Nigerians will be open to government monitoring and when necessary, there will be interception by security agents, who will tap into private discussions and communications and outlaw unauthorised interception of internet and phone communications.

While government says the law is meant to curtail the activities of criminals, who have found a safe haven in ICT to perpetuate their misdeeds, are strong opinions that this controversial law, is being promoted to gag comments and commentaries in the social media, as it begins to emerge as a very strong platform and channel for national discourse. If the law is enacted, it is feared that it would further deal a blow on freedom of expression, as well as stifle free speech. To a reasonable degree, the level of the freeness of the press of a given country is dependent on the amount of freedom of expression guaranteed by the laws of the land; they are not only interwoven, they are closely linked and only exercisable as may be permitted by the state. In Nigeria, the press is generally assumed to be relatively free, but it operates amidst a web of laws that could stifle it or send practitioners, editors in particular to jail every other month if invoked. The various constitutions of the country, from the 1960 through to the 1979 and 1999 editions, did not guarantee any special freedom for the press or provide any safe cover for it to carry out its functions outside the general provision for freedom of expression, even though the people have continued to specifically entrust it with the responsibility of a watch dog of the society. Section 22 of the 1999 constitution provides that: "the press, radio, television and other agencies of the mass media shall at all times be free to uphold the fundamental objectives contained in this chapter and uphold the responsibility and accountability of the government to the people." By virtue of this provision, the constitutional powers and duties or obligation of the press are to help government realise the fundamental objectives, directives and principles of state policy as contained in the constitution. The media or the press is also expected to uphold the responsibility and accountability of the government to the people. In other words, the press performs a nation builder role, as well as a watchdog of government actions or activities pertaining to governance, transparency and accountability. The media as the fourth estate of the realm has got a lot to do in ensuring that good governance is enhanced in the country. Government and the media are inseparable; both cannot be isolated from each other because they are both institutions of the society. The media has been empowered by the society to represent its interest by checkmating the government. Likewise, the government in power is responsible to the society.

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seek, gather, analyse, interpret and disseminate information, pertaining to the governance of the general populace without restraint or constraint by the government or any other interest. Actually, the constitution affirmed that government's responsibility and accountability must be upheld by the media and further reported or disseminated to the general public. It did not stop at that, Section 39(1) also provides that "every person shall be entitled to freedom of expression, including freedom to hold opinions and to receive and impart ideas and information without interference". (2) "Without prejudice to the generality of subsection(1) of this section, every person shall be entitled to own, establish and operate any medium for the dissemination of information, ideas and opinion." The freedom of expression, including holding opinions to receive and impart ideas or information is very fundamental to the development of any society because information is power and when people are empowered, transformational changes can be achieved by the people.

Consequently, the constitution says without prejudice i.e. without discrimination or favouritism, every person shall be allowed to own a means of mass communication or information dissemination in the country. Universally, on the other hand, the United Nations Universal Declaration on Human Rights Law (1948) in Article 19 of the document provides for the fundamental right of expression, holding of opinion and disseminating such opinion, receiving information from others as well as imparting them through the various ways of communication, without interference or restriction. Nigeria is a signatory to this declaration because of her formal membership of the UN. However, the enforcement and implementation of this declaration is not fully adhered to by the Nigerian government. Instances of this challenge are contained in the same section of the 1999 constitution that affirmed freedom of expression and of the press, beginning with restrictions to access of government-held information. These restrictions arise from government argument that not all its activities should be made public. The government through the Official Secret Act and the Criminal Code Act limits the extent to which the press or public officer, representing the interest of government could divulge or reveal information received in confidence on the excuse that such matter is classified or confidential.

To give this sort of restrictions some constitutional backing, Section 39(2) Part 'B' declares that "No person other than the government or any other person or body authorised by the president shall be allowed to own, establish or operate television or wireless broadcasting for any purpose whatsoever". Section 39(3) (A-B), went further to erase whatever freedom it ever granted the media when it stated that "nothing in this section, shall invalidate any reasonable law that is justified in any democratic society for the purpose of preventing the disclosure of information that is classified as confidential or official matter". Government in Nigeria at any level could, relying on this provision, enact a law it deems reasonable in a democratic society but infringes on the freedom the press may have been accorded

in the constitution. This position contradicts the position taken by the United States and German Constitutions. The US constitution, which expressly provides for freedom of the press, had in its first amendment in 1791, declared: "Congress shall make no law...abridging the freedom of speech or of the press." The 14th amendment was more categorical: "No state shall make any laws or enforce any laws which shall abridge any privileges or immunities of the citizen or the press of the USA." This is in the realisation by the people of the United States, of the place of the press not only in a democracy, but also in the operation of a presidential system of government. The German constitution, on the other hand, provides: "Everyone has a right to express his opinion freely in words, writing and picture; and to circulate and obtain information uninterrupted from generally accepted sources." Here, freedom of reporting by radio and television is guaranteed.

While Section 39(2) (A-B) has effectively eliminated the freedom of expression and press it granted Nigerians, it also affirmed the restriction of persons in the employment of government service from disclosing any official information. Those, who further question the rationale behind the above provisions, continue to ask how many laws are reasonably justifiable in the country when it is an open fact that laws are only being made to suit the desire and aspiration of the elite class. By implication, whatever freedom of expression and of the press Section 39 guaranteed the media and the Nigerian people with one hand, it took away with the other due to government restrictions and constrictions through various laws or statutes. What is apparent from all of these is that the provision for freedom of the press in the Nigerian constitution is distinct from that in the USA and German constitutions. That of Nigeria is ambiguous, clumsy, nebulous and pregnant with all meanings.

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The recent passage of the Freedom of Information (FoI) Act by the National Assembly, to some, would seem to have enhanced press freedom in Nigeria. This is doubtful, as the FOI Act exists side by side with the Official Secret Act. It has also not been domesticated by states governments. Consequently, the FOI Act has not really made any major difference in the herculean task of access to information in Nigeria. Freedom of the press though fundamental, is not absolute. The journalist in the practice of his/her profession is often subjected to the ordinary laws of the land. These laws usually come into play while the reporter is sourcing news or during the story's publication. Ideally, Freedom of the Press should include the freedom to gather news, write it, publish it and circulate it. But in most cases, journalism is vulnerable by the nature of its ownership, audience, political machinations and the laws that restrict its freedom, including the

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laws of defamation, sedition, contempt of court, and the Official Secret Act. Others are the Newspaper (Amendment) Act of 1964, Criminal Libel, Public Officers (Protection against False Accusation) Decree No. 11 of 1976 fondly called the 'Ohonbamu Degree', the Legislative Houses (Powers & Privileges) Act, the Obscene and Indecent Publications Act and the Newspaper Prohibition of Circulation Decree No. 17 of 1967, under which magazines were banned for two years, among others.

These laws are said to provide a working syllable for the press and guide the behavioural conduct of journalists but they have been found to seriously inhibit the freedom of the press to smoothly operate, and to publish without being damned. Though the laws are rarely applied, they remain as daggers hanging over the head of editors and reporters.

The assault on the press is a fundamental breach on democratic norms. Proponents of free press believe it is a reminder of the dark days of impunity in the military era.

With more than 100 national, local, and state-owned newspapers and publications; the print media in Nigeria is one of the most vibrant in Africa. On a superficial level, it appears the media in Nigeria enjoys considerable freedom, however, in reality, independence of journalism is not as common as it appears. Despite the transition from military to civilian rule in 1999, clampdown, assault, beatings, unfair arrests and police raids against producers of print media has continued. Between June 2002 and September 2003 alone, Media Rights Agenda (MRA), a Lagos-based non-governmental organisation, promoting press freedom and freedom of expression, recorded more than 50 cases of reported abuses against journalists and

other violations of freedom of expression in the country. The global media watchdog, *Reporters Without Borders*, recently listed the Nigerian Police Force as the leading abuser of journalists' rights globally. It went further in its 2014 Press Freedom Index to rank Nigeria 112th of the 180 countries listed⁵.

Some journalists even pay the supreme price. On Saturday, April 24th, 2010, Edo-Ugbagwu, a judicial correspondent of *The Nation* Newspaper, was murdered in Lagos. Also, Godwin Agbroko and Abayomi Ogundeji of *THISDAY* Newspaper, Omololu Falabi and Bayo Ohu of *The Guardian* were all brutally killed in Lagos by unknown gun men. The assault on the press is a fundamental breach on democratic norms. Proponents of free press believe it is a reminder of the dark days of impunity in the military era. Following a renewed harassment of the media recently with the military in particular, engaging in the seizure and destruction of market-bound newspapers in the wake of the heightening terrorists' attacks, *The Punch* in an outpouring of lamentation over the unfolding bestiality in an editorial of June 7th, 2014, entitled: "Gratuitous Military, SSS Assault on the Press,"

5 *Reporters Without Borders Press Freedom Index 2014*

flayed the development, describing it as a “rapid descent of a discredited government and its security agencies into undisguised tyranny”.

Voice and accountability

Country	WB Code	2008 Score	2009 Score	2010 Score	2011 Score	2012 Score
Botswana	BWA	61.54	59.24	61.14	59.62	64
Brazil	BRA	62.50	61.61	64.93	62.91	61
Ghana	GHA	59.65	62.09	62.56	62.44	60
India	IND	60.10	60.19	60.66	60.09	58
Indonesia	IDN	46.63	46.92	47.87	47.42	51
Korea Rep.	KOR	68.27	68.72	69.19	69.01	70
Malaysia	MYS	30.29	31.75	33.65	32.86	38
Nigeria	NGA	27.40	24.64	27.01	27.23	27
Singapore	SGP	37.02	30.76	40.76	46.95	54
South Africa	ZAF	64.42	64.55	66.35	66.20	65

Source: World Bank – www.govindicators.org

The table reflects perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association and free media. Score: Percentile score among all countries (ranges from 0 (lowest) to 100 (highest) score).

The operations against the media began with SSS operatives and soldiers, intercepting and seizing consignments of national newspapers, being conveyed to various parts of the country in distribution vans. At the Murtala Muhammed International Airport, Lagos, copies of *The Punch*, *The Nation*, *Daily Trust* and *Leadership* were confiscated, while wrappers and cover pages of *The Punch* were damaged. Soldiers intercepted and destroyed copies of the *Leadership Newspapers* at the Kaduna toll gate. *The Nation* too saw its vans ambushed in Abuja, Benin-Warri road, Port Harcourt, Kaduna-Kano road and Nasarawa-Jos road. In Benin, Edo State, soldiers stormed the Nigerian Union of Journalists Press Centre to disrupt activities as they stopped vehicles, hunting for some national dailies. Reasons advanced by Chris Olukolade, a Major-General and Director of Defence Information, for the assault on the newspapers were unconvincing. According to him, the military was acting on an “intelligence report” that “materials with grave security implications” were being moved across the country, “using the channel of newsprint-related consignments.” The military/SSS assault was inexcusable and unacceptable. The military and SSS trampled not only on the right to freedom of expression that the press is guaranteed in Section 39 of the 1999 Constitution, but the right of the producers and marketers of the newspapers to conduct their lawful business unfettered.

Journalists and journalism have always been the scapegoats of successive governments

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in Nigeria. The founding editor of *Newswatch Magazine*, Dele Giwa, was gruesomely murdered through a letter bomb in 1986. This happened barely two days after he was interrogated by security officials. In 1984, the Muhammadu Buhari regime introduced Decree No. 4 of 1984, which was used to unjustly imprison two of *The Guardian* journalists – Tunde Thompson and Nduka Irabor. The trend of clampdowns on newspapers/magazines continued unabated when the Babangida regime, in April 1990, forcibly closed down *The Punch* for its story on the 'Gideon Orkar coup'. The paper was not re-opened until the following month. Top editorial staff members of another newspaper, Lagos News, were incarcerated without trial over the same coup. In the dark days of the Sani Abacha regime, many newspaper houses suffered physical intimidation, harassment of journalists and destruction of their printed copies. Editors like Chris Mammen, Emma Agu, Tove Akiode, Egbose Aimifua and Bala Dan Abu were locked up without trial. Chris Anyanwu and Ben Obi, the editors of *Weekend Classique*, were jailed for life by a secret military tribunal. So also were Kunle Ajibade and Femi Ojudu of *The News*. The *Punch* also bore the brunt of this brutality when it was summarily shut down in June 1994, along with *National Concord*, *The Sketch* and *The Guardian*, at a time the June 12 election annulment by the Babangida regime nearly razed the country to ashes. How about the bombing of Bagauda Kaltho of *The News* in 1996?

The families of journalists were not spared the brutal ordeals as in the case of Dapo Olorunyomi, whose wife, and her three-month old daughter, Aramide, were detained at Alagbon, Ikoyi, Lagos, in place of him. Though they were released 24 hours later, they were re-arrested in March 1997, and they spent 48 days in the military's torturing chambers before regaining their freedom. The government of the late President Umaru Yar'Adua had slammed charges against the *Leadership Newspaper* for publishing a story considered offensive, while security agents invaded the office of *Channels Television* in Lagos for a similar reason. Dating back to 1787 in England, the press had been recognised as the Fourth Estate of the Realm. So critical were the functions of the media in a free society that Thomas Jefferson, the third President of the United States of America, once said, "Were it left to me to decide whether we should have a government without newspapers or newspapers without government, I should not hesitate for a moment to prefer the latter". But in Nigeria, this is not the situation. Table 8.1 is indicative of the low level of performance of Nigeria in the area of Voice and Accountability. Among 212 countries covered globally under the six aggregate indicators of good governance, it is not surprising from the foregoing that Nigeria as indicated in the Voice and Accountability indicator table, is lowly ranked at 27% in 2012, being the least ranked among its comparators. Only Malaysia's scores are close to those of Nigeria at between 30% and 38%. Ghana and Botswana did well, at above 58% respectively, while South Korea ranked high, above 70%. At that level, as can be seen from the table, it appears that with every succeeding year, Nigeria's performance was on the downward trend, indicating that even under a

democratic dispensation as we have it today; nothing is changing in this perspective.

Political stability and absence of violence: Political stability and absence of violence, as an aggregate indicator of good governance, deals with the stability of a government and the likelihood of its overthrow, unconstitutionally or violently through other means, including domestic violence and terrorism. With this focus in mind, among others, it measures government's ability to execute its declared programmes, to stay in office, assesses the type of governance, the cohesion of the government and the governing party or parties, the closeness of the next election, the government's hold on the legislature, and approval and acceptability of government policies. The military, being unelected, their participation in government directly or indirectly, in the assessment of this indicator, reduces accountability and, therefore, represents a risk. The threat of military intervention in any circumstance might lead to an anticipated potentially inefficient change in policy or even in government. It also works as an indication that the government is unable to function effectively and that the country has an uneasy environment for foreign business. Internal conflict, which situates the level of political violence and its influence on governance, is measured with high ranking accorded countries with no armed opposition, and where the government does not directly or indirectly indulge in arbitrary violence. Also of great interest is a country's involvement in external conflict. It measures both the risk to an incumbent government and to inward investment, ranging from trade restrictions and embargoes imposed whether by a single country, a group of countries, or the international community as a whole.

Also of great concern is ethnic tensions. It examines the degree of tension within a country, determining the cause, ranging from race, nationality, or language divisions. Lower ratings are given to countries where racial and nationality tensions are high because opposing groups are intolerant and unwilling to compromise. The level of tensions, the extent of political unrest, and its threat or otherwise to investors are also scored. The issues of terrorist threats, their sources and likely effect on business are other areas usually measured by this indicator.

The nation's stability since Independence has been a serious challenge, bothering on its political, social and economic state. On the political front, poor governance and government instability has seriously weighed on the nation in the last 54 years since Independence. In between civilian and military rule, Nigeria has witnessed six successful military coups and quite a number of failed coup attempts. While within this period, two elected civilian governments were toppled by the military, the political transition to the third republic was aborted by the military until finally, the fourth republic was enthroned in 1999. The 2011 elections was generally considered free and fair and as such seemed to have rekindled some hope in the political development of the nation. However, the election again at another

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level went flat on its face as its outcome was a sharpening of the fault lines, which eventually left the country badly divided between the North and South. The North perceived the Jonathan-presidency as further deepening the long held fear of social and economic marginalisation. This has created resentment and thrown up the fear of possible instability if the political elites choose to exploit it. Like the recurring decimal, this fear has remained propelled by economic inequality and the heightening poverty levels. These will continue to ignite competition across the regions as each jostles over resources.

In this regard, the country's continued reliance on petroleum resources is harmful economically, as it not only leads to rent-seeking and the quest for wealth without work, but also leaves the country vulnerable to economic shocks. Bad enough, a serious economic crisis could upstage the fledgling amnesty in the Niger Delta and further heighten tensions around the country. Socially, these tensions are rooted in history and they are complex and overlapping. As they are, they have always bothered on ethnic, regional and religious divisions. However, because they do not have the magnitude to assume national dimensions, while they could be discomfiting and pose threats to internal security, they do not pose any significant threat to the stability of the Nigerian state.

Generally, communal competitions and conflicts have always been major sources of instability in the country. The fall of the First Republic was largely traceable to

Poor management of the economy, declining revenues, rising debts, fiscal shortfalls, challenges with public service delivery, unemployment and de-industrialisation, gave rise to inequality and deepening poverty amidst plenty

ethnic and regional crisis, which eventually snowballed into a bloody three-year civil war of unquantifiable loss of life and property. After the civil war, the scale and scope of subsequent violent crisis has been limited, frictions among ethnic, religious and local groups have not only persisted since then, they have spread and become almost impossible to curb. The state of the nation's economy has also not been at its best in terms of stability. The growth in petroleum exports has transformed the economy from the 1970s. But before then, the military government had turned the country into a unitary state than a federation, centralising our revenues and promoting proliferation of state patronage

and corruption. The economy, dependent on oil as it is, is vulnerable to global oil price changes and domestic mismanagement. Poor management of the economy, declining revenues, rising debts, fiscal shortfalls, challenges with public service delivery, unemployment and de-industrialisation, gave rise to inequality and deepening poverty amidst plenty, which has continued to aggravate social tensions, violence and political instability.

Civil rule seems to have become stabilised in the past decade. The current Fourth Republic, having outlasted previous civilian governments, has given some hope that civil rule has not only come to stay in the country, but that the people may have at last realised the importance and significance of democratic institutions. Much as this has held out hope for the nation and the people, the succession of flawed elections, the continued dominance of the ruling party vis-à-vis the scant evidence of political accountability are undermining the legitimacy and stability of democratic rule. It has been argued that the central government is not fostering effective institutions or public goods and as studies have shown, "poor governance undermines political legitimacy and aggravates popular tensions over distribution and security." Weak institutions, extending from the legislature, courts, and police to the civil service are fostering problems of governance, just as the age-long vices of elite contention, partly blamed for regime change and leadership turnover in the past, civil/military tensions, factionalism within the military and corrosive rivalries among politicians that account for turbulence are rife once more. More than anything else, bickering during electioneering period have assumed very dangerous dimensions, raising tensions to a feverish pitch. Political rivalries, legitimacy problems, communal identity, economic inequality and competition over resources are sharpened, no thanks to politicians, who do not only further aggravate these problems, but sponsor thugs and militias and inflame resentments and poll-rigging in the quest to gain power at all cost. Elections since the fourth republic have been marred by fraud, misconduct and violence with each successive exercise unfortunately coming through with declining credibility.

Federalism as a principle and as being practised in the country is not helping the course of stability as well. Different sections of the country are of the opinion that they are not satisfactorily served in the way and manner it is operated at the moment. Strong opinions in the South are advocating "true federalism" and demanding greater latitude for states to determine their economic policies, retention of greater revenues, increased transparency in the operation of the federation account and sharing of revenue among the three tiers of governments. While the Southwest, Lagos in particular and the Niger Delta Region, are in the forefront for the agitation of true federalism, some opinions in the North are contrary, arguing that "true federalism" is "a call for greater economic segmentation", favouring instead "re-distribution mechanisms that will equalise revenues across the federation." There is also the problem of the power-sharing arrangement, known simply as zoning within the political parties. It encourages the rotation of major political offices at successive elections among the different ethnic groups and regions. Tensions, emanating from zoning have shown that the issue has the capacity to inflame elite divisions and regional polarisation, as exemplified in the post-election

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violence in several Northern states in the course and aftermath of the 2011 elections.

Closely linked with this, is the problem of institutional weakness, hampering the general functions of state power, delivery of public services, inadequate policing and erratic administration. The central government is unarguably deficient in the provision of collective

From all nooks and crannies of the country, social tensions and communal rivalries are posing serious challenges to the stability of the country. Human life has been cheapened as a result.

goods, including infrastructure, social provisions, regulation and public order. Nigerians have resorted to seeking amenities particularly from politicians and officials. The arising corruption and equality magnify social divisions and undermine the legitimacy of government. Nigeria's weak governance, non-delivery of prosperity or equity to a large disaffected people deepens poverty in the country and fuels social restiveness. From all nooks and crannies of the country, social tensions and communal rivalries are posing serious challenges to the stability of the country.

Human life has been cheapened as a result. Between 1999, when the country transited to civilian rule and now, thousands of lives have been lost to countless violent incidents, huge urban conflicts have continued to exist in Jos, the once peaceful and serene beautiful city of profound tourist attraction, Kaduna, once the nations colonial capital is likewise affected. Also, there was low intensity conflict in the Niger Delta, which but for the government amnesty programme in the region, was running out of hand and impacting badly on the nation's oil production and revenue.

Political stability & absence of violence/terrorism

Country	WB Code	2008 Score	2009 Score	2010 Score	2011 Score	2012 Score
Botswana	BWA	81	83	82	83	89
Brazil	BRA	34	51	47	42	48
Ghana	GHA	44	46	48	53	50
India	IND	14	11	12	11	12
Indonesia	IDN	15	21	21	22	27
Korea Rep.	KOR	58	58	55	56	52
Malaysia	MYS	47	42	52	50	45
Nigeria	NGA	5	4	3	3	3
Singapore	SGP	96	90			
South Africa	ZAF	46	41	47	49	44

Source: World Bank - www.govindicators.org

The table reflects perceptions of the extent of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. Score: Percentile score among all countries (ranges from 0 (lowest) to 100 (highest) score).

Besides all these, raising concerns over national stability, are issues of ethnicity, clan, religion, language, region, locality, livelihood, economic and partisan allegiance. In some areas such as the Yoruba towns of Ile-Ife and Modakeke, communal and ethnic rivalries have persisted for decades; the cities of Kaduna, Jos, and Warri are major flashpoints among ethnic or religious communities. There is also the indigene/settler problem, which in the struggle for land, economic outlets or natural resources, some communities have remained at daggers-drawn for ages. Generally, while communal tensions are fostered by the problems of poverty and poor governance, inadequate economic opportunities heighten competition over resources. In this regard, the large pool of the unemployed, mainly male youths, has become a ready source of mobilisation.⁶ This problem is being fuelled by poor provision of public services and the practice of favouritism by public officials. Added to that, low levels of government legitimacy and social trust are known to instigate communal groups into organising their own security, and evolving their political aims to create dangerous competition that easily erupts into violence.

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The huge unemployed youth population and the increasing availability of small arms across the country is adding to the problem of insecurity and the threat of national instability. The main challenge to the country's stability is identified with particular areas of conflict; the insurgency in the Niger Delta (until recently) and the Northeastern states. From a localised protest among the Ogoni minority, protests and militancy have spread across the Niger Delta coastal states this past decade, badly hurting oil production, the country's economic life-wire, until the government's political amnesty offer to the militants, which seemed to have now provided what some believe is a temporary peace in the region. The 2003 election provided the ground for insurgency in the region. Local politicians, having armed and financed militant groups to serve as their personal auxiliaries, lost control of them after the elections. The armed groups turned to abductions and oil smuggling as economic activities. This gave rise to the Movement for the Emancipation of the Niger Delta (MEND), a loose network of commanders and followers that advocated the grievances of the region, extending from issues of environment, development, remediation and resource control, not leaving out of course, their own economic agenda. Though the government's amnesty programme for the militants, saw over 25,000 insurgents, dropping their arms and almost all the commanders participating in the process, the core issues for the agitations, the lack of development of the region, environmental pollution from oil production, remediation

⁶ Peter M. Lewis (2011). Nigeria: Assessing Risks to Stability by Centre for Strategic and International Studies (CSIS)

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and resource control, remained largely unaddressed beyond empowering the repentant insurgents and awarding juicy contracts to their commanders. There are fears, therefore, that unless the amnesty programme is consolidated, visible development is accelerated, financial and political conditions in the region significantly improved and concerted efforts made to cultivate support among the restive population, the insurgency could be revived in the region, given the abundance of weapons and recruits in the area.

In the North, various insurgent groups have emerged under the names, Taleban, Kala-Kato and Boko Haram with virtually nothing in common except the interest to taking up arms, fired by “anti-system” opinions and elements of Islamic principles. The Taleban are largely made up of relatively elite youths in Maiduguri, the Borno State capital and other Northeastern cities. They are said to be partially inspired by Islamists in South Asia. Kala-Kato currently existing around Bauchi State in particular, is said to be an offshoot of the Maitatsine Movement of the early 1980s and are somehow related to Boko Haram, an anti-establishment sect that sprang across several northern states, particularly the Northeast in the recent years. Boko Haram has rejected Nigeria as a secular state, western education and “its politics, as well as the main stream Muslim traditions” in practice in northern Nigeria. While these groups differ in their doctrines, leadership, and support, they all resent the current political order, the government and religious authorities and have become a major challenge to security in the North and the stability of the nation as a whole. Boko Haram has taken up arms against the nation, killing, maiming and abducting women and children and has completely left the North east, a war zone.

Militia groups are not restricted to these two regions; they are across the country, the Southwest has the Odua People’s Congress (OPC), the Southeast, the Movement for the Actualisation of the Sovereign State of Biafra (MASSOB) and a host of others. Armed robbery, assassinations, abductions and kidnappings have become the order of the day in some of the southern states. The various groups harboured by this local militia exist for ease of mobilisation for disparate violence, especially at election times.

It is as good as classifying Nigeria as a failed state in the area of political stability, terrorism and violence. In truth, the country is contending with multiple vulnerabilities and a spectre of political failure

With all these, it is not surprising that Nigeria’s rating on political stability, absence of violence and terrorism is extremely low at 3% in 2012, a decline from 5% in 2008 out of the 212 countries rated under this indicator and among her comparators in the global chart. When compared to Ghana’s 50%, Botswana’s 89% and Singapore’s 97% in 2012, this sad tale is only a testimony to how bad the situation has become

in the nation's politics and social life. It is as good as classifying Nigeria as a failed state in the area of political stability, terrorism and violence. In truth, the country is contending with multiple vulnerabilities and a spectre of political failure. Fortunately, it embodies some sorts of "resilience, including institutional innovations, elite bargaining and civic resources for ameliorating conflict. But the key question is whether the country will ever realise a more positive trajectory or continue to experience violence and instability, or suffer a descent into calamity. The pivotal elements that could determine its course are whether the elites are bold enough to restructure the country, hold hitch-free elections, and generate a visionary leadership, if the perception of the world of the country is anything to go by. From the CSIS's assessment of the country, increased polarisation and break down of major institutions could trigger a crisis of governance and create a fertile ground for large scale conflict. Such a situation, in the centre's view, could arise from an election fiasco, particularly if the process is badly managed that groups across the country feel essentially disenfranchised⁷.

The military should perpetually be confined to the barracks, given that they laid the foundation for the mess that the country now finds itself, they should improve the country's election management and work for continued elite accommodation

While this could still be kept under control, going by the prevailing situation in the country today, if a major segment of the elites feel it has been excluded from the arena of elite bargaining, the country could be open to a major crisis in its national politics and social life. This could initially take the form of a political disagreement, splits in party system and spreading violence at local levels. However, while this scenario is a possibility, as expressed in the assessment under this good governance indicator, the military should perpetually be confined to the barracks, given that they laid the foundation for the mess that the country now finds itself, they should improve the country's election management and work for continued elite accommodation (since they stand to lose most in a destabilised Nigeria) as witnessed in the 2011 elections, realising that if sustained, it would brighten hope in the nation's politics and social life.

Countries with more effective governments tend to achieve higher levels of economic growth by obtaining better credit ratings and attracting more investment. They offer higher quality public services and encourage higher levels of human capital accumulation

7 Peter M. Lewis (2011). Nigeria: Assessing Risks to Stability by Centre for Strategic and International Studies (CSIS)

Government Effectiveness: Under this indicator, the quality of public and civil services, as well as the degree of the independence of the civil service from political pressure come under focus. It also examines the quality of policy formulation and implementation by a government and the credibility of its commitment to the policies. Beginning with a government's bureaucratic quality, the indicator takes a look at institutional strength and quality of the civil service; assesses how much strength and expertise bureaucrats have and their ability to manage political alternations, without drastic interruptions in government services, or policy changes. Good performers have somewhat autonomous bureaucracies, free from political pressures, and have an established mechanism for recruitment and training. In an assessment of the quality of a country's bureaucracy, the expectation is that the civil service is free of unnecessary bureaucratic bottlenecks. The better the bureaucracy, the argument goes, the quicker decisions are made and the more easily foreign investors can go through established procedures and go about their business. Policy consistency and forward planning also come to the focus in determining how confident businesses can be of continuity in economic policy stance, whether a change in government will entail major policy disruptions, or the sitting government has pursued a coherent strategy. It also examines the extent to which policy-making is far-sighted or conversely aimed at short-term economic advantage. Countries with more effective governments tend to achieve higher levels of economic growth by obtaining better credit ratings and attracting more investment. They offer higher quality public services and encourage higher levels of human capital accumulation, utilise foreign aid resources efficiently, accelerate technological innovation, and increase the productivity of government spending.⁸

Efficiency in the delivery of public services also has a direct impact on poverty. On the average, countries with more effective governments have better educational systems and more efficient healthcare. There is evidence that countries with independent, meritocratic bureaucracies do a better job of vaccinating children, protecting the most vulnerable members of society, reducing child mortality, and curbing environmental degradation.⁹ Countries with a meritocratic civil service also tend to have lower levels of corruption. The current state of all of these elements in the country is well known to all; poverty is at its peak, there is no social security programme in place for the vulnerable, the nation's educational and healthcare systems are in crisis and almost collapsing and child mortality remains at an alarming rate. If good standards of living in these areas is resultant from having an effective government, then, the fact that all the listed challenges exist is an evidence of failure of the effectiveness of government in Nigeria. Like it is in all other countries, the civil service in Nigeria is the main instrument and institution of public

8 Charles Soludo. (January 2007). 'Preserving Stability and Accelerating Growth', Central Bank of Nigeria.

9 Hadiza Galadanchi. (2007). Overview of Maternal Mortality in Northern Nigeria., DRPC, Kano.

service delivery, performing the traditional role of supporting the policy-making function of government at the federal, state and local government level and also facilitating or regulating the private sector; and providing managerial leadership for operating public sector enterprises. The capacity of the Nigerian civil service to perform its statutory functions is largely dependent on its ability to attract and retain competent and highly skilled persons in the professional category, the willingness to offer attractive pay and benefits package, and the modernisation of the office infrastructure.

The reforms of the federal civil service has rightly focused on improving the pay package, increasing the number of staff in the professional category and improving service to the public through the Service Compact with Nigerians (SERVICOM). Nonetheless, much remains to be done both at improving the office infrastructure in the civil service, and in bringing public servants attitude to the standards of what is obtainable in many emerging economies. Recently, the nation's minimum wage was not only raised, but a new pay scale was introduced. It is doubtful, however, if the new pay scale has done much to improve the overall conditions of the civil servants. While high pay may not offer a guarantee against fraud and corruption, it is a major incentive to work harder and show commitment to public service.¹⁰ It is sad to say that the Nigerian public bureaucracy is disturbingly inefficient and corrupt, which accounts for the inept outcome from various activities of government.

It is sad to say that the Nigerian public bureaucracy is disturbingly inefficient and corrupt, which accounts for the inept outcome from various activities of government.

Corruption has penetrated all aspects of government activities, as employment is no longer based on merit. The red tape procedures, stemming from the vast array of rules on all dealings in the civil service, fuel corruption and form checkpoints where bribes have to be paid before a transaction can be successfully completed. Since the advent of democratic rule, politicians have also contributed in no small measure to the escalating corruption in the service as actions do not get taken on the various civil service oversight investigations, particularly when civil servants are indicted, giving the impression of collusion or acquiescence. To a greater extent, the service and the civil servants are subjected to immense political pressure to capitulate, support or even concede to bad policies designed for personal gain and enrichment rather than for public good. This timid attitude coupled with the need for self-enrichment is a result of the lack of certainty in tenure. This seed of doubt was planted in the mass purge in the service in 1975, in which over 11,000 people were dismissed or retired, and saw the career of many of them abruptly cut short. This is an experience the service has still not recovered

¹⁰ Prof. Ibrahim A. Gambari. The Challenges of Nations Building: The Case of Nigeria.

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from till date. Wide spread opinion remains that the exercise was carried out because the civil servants were opposed to government policies considered in their opinion to be against the development of the workers and the nation. Worse still, the civil service has become deeply politicised as it is regarded as an area of patronage where politicians can reward cronies and party loyalists with positions. There is also the contention that the service is a contestation by sectional champions, purporting to seek positional advantages for narrow constituencies and the interests they represent. Indeed, the wrong assumption at the heart of the way the public service is run is that its purpose is simply "representation" rather than "service" as appointments currently made into it, using the federal character policy as cover, amounts to a sacrifice of merit in preference to mediocrity.

In the First Republic, public contact with the government was usually with low-level civil servants. They provoked the public to annoyance through their sluggishness, ineptitude and discourtesy. Petty corruption flourished. Politicians, particularly those who were not in office, tended to distrust senior civil servants, perhaps seeing them as rivals or opponents. This created a gulf that distanced politicians and public servants and made interaction remote. In the service itself, there was the problem of how to manage the tensions between competing allegiances that inevitably arose from the salience of identity in the politics of the fledgling nation. There was the matter of how to ensure that the Permanent Secretary and his team were loyal to the minister, especially if they were from different ethnic communities. The regions, which were one-party states, sought to address this problem by enforcing Northernisation, Westernisation and Easternisation, which in turn inflamed minority discontentment in the process.¹¹

The numerous task forces and panels, being set up by government to study one problem or the other is evidence of the failure of civil servants whose responsibility it is to deal with these issues in the first place.

But then, there was high level of professionalism and dedicated commitment to service, unlike what is currently obtainable. Attitude to work in recent years is poor and with the absence of adequate supervision, control, punishment and reward for poor or good performance, civil servants rarely show commitment to their duties. They openly exhibit reluctance towards their responsibilities. Also, a serious negation to the performance of the service is undue adherence to rules most of which are archaic and need urgent reform. For this reason, civil servants do only what they are asked to do and do not

embark on creative ideas to bring about efficiency and process improvements. There is also this widespread attitude of seeing public or government property as belonging to no one in particular,

11 Dr. Kayode Fayemi, Governor of Ekiti State, Nigeria, in a paper, *Reforms and the Future of the Public Service in Nigeria* presented at a discourse organised by Bookcraft Publishers in conjunction with Culture Advocates Caucus (CAC)

and as such are poorly managed and maintained. All of these, in the opinion of close watchers of the service, are fallouts from the unforgettable mass purge of 1975. Since then, civil servants avoid risk-taking to infuse urgency in government processes and discard any notion of loyalty that could endanger their careers. The result of this is a mentality of survivalist careerism that has become associated with public servants, an attitude that indicates taking full advantage, including illicit benefits, from one's position in the service because there is no telling when one might be asked to leave.

Government effectiveness

Country	WB Code	2008	2009	2010	2011	2012
		Score	Score	Score	Score	Score
Botswana	BWA	70	68	67	67	67
Brazil	BRA	52	51	54	50	50
Ghana	GHA	56	54	54	54	52
India	IND	54	56	56	55	47
Indonesia	IDN	47	47	48	46	44
Korea Rep.	KOR	82	82	85	86	84
Malaysia	MYS	83	79	83	81	80
Nigeria	NGA	16	10	11	14	16
Singapore	SGP	100	100	100	100	100
South Africa	ZAF	69	67	66	66	64

Source: World Bank – www.govindicators.org

The table reflects perceptions of the extent of the quality of public services, the quality of the civil services and the degree of its independence from political pressures, the quality of policy formulation and implementation and the credibility of the government's commitment to such policies. Score: Percentile score among all countries (ranges from 0 (lowest) to 100 (highest) score).

Of the 212 countries measured under this indicator in Table 8.3, Nigeria's score of 16% in 2012 is again the least rated of the 10 comparators. At the same level we were in 2008, she was marginally above the 2009, 2010 and 2012 rankings of 10%, 11% and 14% respectively. This compares poorly to 100% for Singapore, 67% for Botswana and 52% for Ghana in 2012. The usual response from the Nigerian civil servant, politician or government is to dismiss and ignore these poor rating. It is important that truth be told. It is obvious even to a two-year old in Nigeria that the government, particularly at the civil service level, is not working and something drastic needs to be done to reverse the ugly situation. The civil service does not make efforts to improve on policies and development strategies beyond the immense political pressure, being asserted by politicians on it to do their bidding. The usual poor quality of policy formulation, implementation and credibility of commitment to the policies persist. The numerous task forces and panels, being set up by government to study one problem or the other is evidence of the failure of civil servants whose responsibility it is to deal with these issues in the first place.

The influence of the frequent changes in government and lack of policy consistency from one government to another is another layer of problem all together. Dr Dayo Odukoya, Education & Development Consultant, ERNWACA, Faculty of Education, University of Lagos, in a presentation, entitled: "The Challenges of Policy Implementation", gave insight into this issue as it relates to education: "For thirty years, the nation has been unable to successfully implement the National Policy on Education (NPE). The policy, which came

A purpose driven nation must fulfil a number of critical imperatives, including the possession of elites endowed with the highest qualities of leadership and a bureaucracy that has the capacity to implement its visions and policies.

into existence in 1997 after over four years of deliberations at various levels, appeared to have solutions to virtually all core educational problems. However, there are apparent serious problems in the area of implementation. Politics and frequent changes in government tend to negatively affect the implementation of the National Policy on Education". Likewise, Professor Ajayi, one time Provost of Federal College of Education (FCE), Osiele, Ogun State, Nigeria, made this observation: "Within the eight years (1991-1999) that I served as Provost, the nation passed through five different regimes (Babangida till 1993, Shonekan for less than four months in 1993, Abacha 1993-1998, Abubakar 1998-1999, and Obasanjo 1999-2007).

Within this period, I had to operate under no fewer than eight Ministers of Education. The same thing happened at the state level. Each of the presidents, ministers, governors and commissioners had their own different conceptions and policies on education that they tried to implement during their tenure. With such instability in the system of governance, coupled with constant changes in "ministers of", "ministers for", "commissioners for", and "commissioners of", one should not be surprised at the level of the crises the nation's education system has witnessed over the years and the inconsistency and often contradictory nature of the educational policies and practices. It is one step forward and two steps backward".

This observation is not limited to the education sector alone; it applies to research and policy efforts in all sectors. If policy implementation is a problem, the formulation process itself is much more. Dr. Dayo Odukoya again stated that, "Bureaucratic bottlenecks, which are common in many developing African countries, further elongates the period of policy formulation. This, therefore, often necessitates the need to patiently wait on the policy administrators for days unending. This naturally translates to more expenses on hotel accommodation, feeding, transportation and communication. These expenses are hardly budgeted for in our research studies, hence the paucity of research findings that have been successfully translated into national policies in Nigeria to date. Furthermore, it is one thing to succeed in getting our research findings translated into national policies; it is another ballgame altogether getting them implemented. This may often necessitate

further follow-up and intensive lobbying. Part of the problem here has to do with incessant changes and paucity of technocrats within the government. Lack of understanding of the power of well-formulated policies and diligent implementation in effecting educational and national development apparently account for this¹².

Largely, however, more than anything else, the gulf between policy conception and execution is the little or no attention being paid to the people charged with the execution of policies. High-sounding policy initiatives announced with fanfare, regrettably even die almost immediately, because the strategic role of the public service as the policy vehicle is not factored in. With very low or non-existent levels of buy-in among civil servants, the initiatives die on arrival. Much of the sloth and lethargy frequently attributed to civil servants, mirrors how lowly they are esteemed in the calculus of governance and policy architecture¹³. A purpose driven nation must fulfil a number of critical imperatives, including the possession of elites endowed with the highest qualities of leadership and a bureaucracy that has the capacity to implement its visions and policies. There is need for new policy implementation ethics to appropriately position the country for effective development.

While the telecommunication sector may have improved significantly since the advent of democratic rule, the quality of other infrastructures such as the transport services, electricity supply, public health services and schools are appallingly poor.

Regulatory Quality: This indicator focuses on the ability of a government to formulate and implement effective policies and regulations that allow and promote private sector development. It measures a nation's investment profile, including risk to operations, contract viability, expropriation, and repatriation and payment delays. Also factored in, are such other private investment enhancers as the flexibility, learning, and innovation within the political leadership; ability to coordinate conflicting objectives into coherent policies; the efficiency of revenue mobilisation and budget management; the quality of transportation infrastructure, telecommunications, electricity supply, public health care provision, and public schools; the availability of online government services; the existence of a taxpayer

The application of the rule of law in Nigeria has established an unwholesome social and political order in which the rich preys on the poor, the politician preys on the electorate, the government preys on workers and peasants, the police preys on the hapless and defenceless citizenry.

12 Odukoya, Dayo (2009). Formulation And Implementation Of Educational Policies In Nigeria

13 Governor Kayode Fayemi of Ekiti State

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service and information programme, as well as an efficient and effective appeals' mechanism. Complementary to all of this is the establishment of the extent to which effective co-ordination mechanisms ensure policy consistency across departmental boundaries, and how administrative structures are organised along functional lines with little duplication. The indicator also demands to see that the business processes of government agencies are regularly reviewed to ensure efficiency of decision-making and implementation; that political leadership sets and maintains strategic priorities and government effectively implements reforms; that hiring and promotion within the government is based on merit and performance, and ethical standards prevail. It also ascertains that government wage bill is required to be sustainable without crowding out public services spending; pay and benefit levels do not have to deter talented people from entering the public sector; there has to be flexibility (that is not abused) to pay more attractive wages in hard-to-fill positions; government revenues are generated by low-distortion taxes; import tariffs are low and relatively uniform, export rebate or duty drawbacks are functional; the tax base is broad and free of arbitrary exemptions; tax administration is effective and rule-based; and tax administration and compliance costs are low.

Also of note is that policies and priorities must be linked to the budget; multi-year expenditure projections are not only integrated into the budget formulation process but made to reflect always the explicit costing of the implications of new policy initiatives. In addition, budgets are required to be formulated through systematic consultations with spending ministries and the legislature, to adhere to a fixed budget calendar; the budget classification system must be comprehensive and consistent with international standards; and off-budget expenditures must be kept to a minimum and handled transparently; above all, budgets must be implemented as planned with actual expenditures deviating only slightly, where at all, from planned levels.

It also matters that budget monitoring occurs throughout the year based on well-functioning management information systems; reconciliation of banking and fiscal records is practiced comprehensively, properly, and in a timely way; in-year fiscal reports and public accounts are prepared promptly and regularly to provide full and accurate data and then timely audit in a professional and comprehensive manner are not only of essence, taking appropriate action on budget reports and audit findings is significant. In all respects, we are at variance with the norms or ideal. As earlier highlighted under the Government Effectiveness indicator, the country is inconsistent with policy formulation and implementation; there is no known consistent industrial or business policy instrument in place. The business climate has not been too friendly, giving rise lately to disinvestment from the country by some international companies who relocate to neighbouring countries as Ghana, South Africa and elsewhere. While the telecommunication sector may have improved significantly since the advent of democratic rule, the quality of other infrastruc-

tures such as the transport services, electricity supply, public health services and schools are appallingly poor. Power, a major business and investment stimulant, has remained at its poorest form, leaving production capacities at their lowest ebb. Schools and health services are submerged in perpetual labour unrests that leave them shut. Added to that, is the virtual dilapidation of schools and college facilities.

Regulatory quality

Country	WB Code	2008	2009	2010	2011	2012
		Score	Score	Score	Score	Score
Botswana	BWA	65	66	67	69	74
Brazil	BRA	54	55	55	56	55
Ghana	GHA	53	54	54	55	56
India	IND	41	43	39	40	34
Indonesia	IDN	43	40	38	41	43
Korea Rep.	KOR	73	75	79	80	77
Malaysia	MYS	63	62	71	71	70
Nigeria	NGA	22	25	26	27	25
Singapore	SGP	99	98	98	96	100
South Africa	ZAF	66	64	62	64	63

Source: World Bank - www.govindicators.org

The table reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. P-Score: Percentile score among all countries (ranges from 0 (lowest) to 100 (highest) score).

Again, as can be seen from the above table, the country is the least rated of the comparators under this good governance rating. At 25% in 2012, declining from 27% and 26% in 2011 and 2010 respectively, Ghana is also far ahead with a score of 56%, South Africa 63%, Botswana 74% and Singapore, 100%. At 25%, Nigeria's score is deplorable. It is, therefore, advised that government sets shame aside to benchmark the nation against its peers (particularly the African countries) for process improvement to bridge the gap for the benefit of all.

Rule of Law: In this Good Governance indicator, the extent to which government agents and agencies have confidence in and abide by the rules of society, in particular the quality of contract enforcement, the police and the courts vis-à-vis the likelihood of crime and violence is examined and measured. The law sub-component, therefore, is an assessment of the strength and impartiality of the legal system, while the other sub-component is an examination of popular observance of the law. According to the International Commission of Jurists, "the rule of law is a dynamic concept which should be employed not only to safeguard and advance the civil and political rights of the individual in a free society,

but also to establish social, economic, educational and cultural conditions under which the legitimate aspirations and dignity of the individual citizens of the country may be realised". It is premised on notions, including the supremacy of the law. The supremacy of the law connotes that the laws of the nation as provided in the constitution are sacrosanct. It entails also that those, who have sworn by the constitution to uphold the social contract they have signed with the people in the process of governance, adhere strictly to it. This appears not to make any meaning to leaders in the country. They deliberately and perversely undermine the democratic system, assuming a "larger than life" role in imposing their limited worldview on the nation in outright disregard of the laws, governing the people.

In Nigeria, therefore, the supremacy of the law as a constituent element of the rule of law is a practical falsity in the democratic practices. Equality before the law as an element of the rule of law has also been a thing of secondary regard, since the advent of democratic rule. The utter disregard for the rule of law and abuse of human rights at individual levels and by security services, including the police, have led to these frequently asked questions: Are Nigerians really equal before the law? Can the poor co-habit with the rich? Are the poor not trampled upon before the law? Can the families of those six innocent young Nigerians slaughtered by the police in Apo village, in Abuja, in August 2005 and the many more, who daily get persecuted and abused by the powers that be, and the police and secret services, get redemption and justice? After several years of the struggle for justice, has the Nigerian government heard their cry of anguish? Can the poor get justice in Nigeria? Can there be rule of law without adequate security for the Nigerian people? In the face of growing insecurity (assassinations, armed banditry, extra-judicial killings by the police and increased crisis of insurgency) is there law and order in Nigeria? An order in which the majority of the people have no stake and see no justice is ultimately unviable. For as long as there is no just order standing on negotiated consensus, the rule of law is imperilled, and continuous claim to it would merely be pretensions, particularly as it appears as if its application is bound up with class relations.¹⁴ The rule of law is, therefore, part of the superstructure, adapting itself to the necessities of an infrastructure of productive forces and productive relations. As such, it is clearly an instrument of the ruling class. It defines and defends the ruling class' claim to power and authority, resources and property relations. It determines who controls what, when and how and mediates class relations and the struggle for power with a set of appropriate rules and sanctions, all of which ultimately confirm and consolidate existing class hegemony. Hence, the rule of law in Nigeria is another mask for the rule of a class –its stronghold is in the control of power under any given regime (democracy or authoritarian rule). The application of

14 Beetseh, Kwaghga. (2011). Rule of Law in Nigeria and Challenges of Good Governance. Federal University of Agriculture, Makurdi

the rule of law in Nigeria has established an unwholesome social and political order in which the rich preys on the poor, the politician preys on the electorate, the government preys on workers and peasants, the police preys on the hapless and defenceless citizenry.

Regulatory quality

Country	WB Code	2008	2009	2010	2011	2012
		Score	Score	Score	Score	Score
Botswana	BWA	70.19	68.25	68.72	69.95	70
Brazil	BRA	43.27	48.82	54.98	56.34	52
Ghana	GHA	52.40	52.61	54.03	53.99	54
India	IND	56.25	54.98	54.50	52.11	53
Indonesia	IDN	31.25	34.60	31.72	31.92	34
Korea Rep.	KOR	76.44	81.52	81.52	81.22	80
Malaysia	MYS	76.44	81.52	81.52	81.22	80
Nigeria	NGA	14.42	12.32	12.32	10.80	10
Singapore	SGP	92.31	91.94	92.89	93.43	96
South Africa	ZAF	54.81	56.87	57.82	58.22	58

Source: World Bank – www.govindicators.org

The table reflects perceptions of the extent to which agents have confidence in and abide by the rules of society and in particular the quality of contract enforcement, property rights, the police and the courts as well as the likelihood of crime and violence. P-Score: Percentile score among all countries (ranges from 0 (lowest) to 100 (highest) score).

The metrics in the above table is very poor but it is not a surprise, given all that has been discussed. Again, as could be found from the rating under this indicator, the country is retreating instead of progressing. At 14.2% performance in 2008, the rating dropped to 10% in 2012. This is an indication of the poor state of the rule of law in the country. While the quality of contract enforcement may have become enhanced, particularly at the federal level since the enactment of the Public Procurement Act, the same cannot be said of the police and the courts. Police performance remains abysmal and is worsening with human rights violations and extrajudicial killings becoming a common occurrence. Often at the centre of police's common misdemeanour, is the drive for extortion at the expense of the rising crime wave across the country. They are known in some cases not to obey court orders, particularly when it has to do with award of court fines and damages against it. The courts are no better either. Though they have recorded some courageous and heart-warming landmark judgements in some electoral disputes since the democratic dispensation in

Particularly disturbing, remains the fact that cases are unduly delayed with the aggrieved almost unable to get justice in the courts due to undue adjournments by lawyers and sluggish procedural systems

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1999, strong opinion remains that their performance is below expectation. Particularly disturbing, remains the fact that cases are unduly delayed with the aggrieved almost unable to get justice in the courts due to undue adjournments by lawyers and sluggish procedural systems, use of arbitrary injunctions even on criminal cases, making the entire system cry out loudly for reform. Rumoured cases of corruption in the bar and bench gives a lie to the strength and impartiality of the country's legal system. On the whole, general observance of the rule of law in the country is roundly poor.

Control of Corruption: Corruption is endemic in all aspects of Nigerian life. It has become a cancer that is slowly eating away at the very essence of the nation. Corruption is responsible for most of the challenges that the nation faces. Consequently, the next chapter of this book has been dedicated to it. However, this indicator is concerned with the extent to which the government is able to control corruption. The history of Nigeria is tainted with the absence of good moral and ethical values in the conduct of the ruling elites. This has adversely affected economic growth and development. As corruption impacts negatively on economic growth, it also politically destabilises a country. Corruption and abuse of power have long been features of Nigeria's economic and political landscape. The National Planning Commission has identified systemic corruption, which engenders low levels of transparency and accountability, as the major source of development failure.¹⁵

Nigeria's ranking on Table 8.6 in relation to this indicator remains miserably low among its peers, the least as usual at 11% in 2012, declining from 21% in 2008, 17% in 2009 and 15% in 2010. Year in, year out, in the five years measured, the nation is on the downward slope, which suggests that government's anti-corruption crusade in the recent years is on the wane. The nation's peers all score above 50% in 2012 except for Indonesia at 29% and India at 35%.

The Nigerian state is a victim of high-level corruption, causing the retardation of national development and a ceaseless cycle of crisis, arising from peoples' discontent against government. The culture of corruption, (what Nigerians have come to know as 'settlement syndrome'), became part of the country's political culture during the Babangida and Abacha regimes in the years 1985-1998 and all the positive values for development were jettisoned. Between 2000 and 2003, two anti-corruption agencies, the EFCC and ICPC, were established to drive the Obasanjo administration's anti-corruption crusade. The country rather than recover, continued to sink into the abyss, with very serious consequences for economic, social and political development.

15 National Planning Commission, 2005 National Economic Empowerment and Development Strategy, (NEEDS), Abuja

Control of corruption

Country	WB Code	2008 Score	2009 Score	2010 Score	2011 Score	2012 Score
Botswana	BWA	80	79	80	80	79
Brazil	BRA	58	56	59	63	56
Ghana	GHA	57	60	60	59	56
India	IND	44	39	36	33	35
Indonesia	IDN	34	23	25	27	29
Korea Rep.	KOR	68	71	69	70	70
Malaysia	MYS	59	58	63	60	66
Nigeria	NGA	21	17	15	11	11
Singapore	SGP	98	98	99	97	97
South Africa	ZAF	63	63	61	59	54

Source: World Bank – www.govindicators.org

The table reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests. P-Score: Percentile score among all countries (ranges from 0 (lowest) to 100 (highest) score).

The overall system remains deeply compromised and the scourge of bad governance persists, thereby isolating the political elite from the generality of the citizenry. Sklar et al sums it up thus: “The growing distance between this political elite and the general public, however, has undermined accountability... poverty and frustration over the slow pace of change fanning public anger”.¹⁶

Right covenant, wrong practice

With this poor rating of the country on good governance as has been discussed above, it is clear that something is deeply wrong with the Nigerian system. It behoves on us, therefore, to take a look at the country’s political structure and see if it has any negative effect on it. People have argued that the Nigerian federalism as being practiced is not true federalism. How true is this? Federalism, in practice, is a system of voluntary self-rule and shared rule. This is implied in the derivation of the word ‘federal’, which comes from the Latin word, ‘foedus’, meaning covenant. A covenant signifies a binding partnership among co-equals in which the parties to the covenant retain their individual identity and integrity,

The minority question in particular has been at the front burner since the colonial era and has continued to cause crises of nation-building in the country.

¹⁶ Sklar et al Sklar RL Ebere Onwudiwe and Darren Kew, (2006), Nigeria: Completing Obasanjo’s Legacy, J. Democracy, 17 (3): pp.100-115

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while creating a new entity.¹⁷ This definition does not align with what is being practised in Nigeria.

From Independence, issues of state creation and the minority question, military intervention, oil and minority agitations, ethno-religious conflicts and the federal character dilemma have dominated national discourse, and at times, escalated crisis that threatened the entire fabric of the nation. The agitations for state creation have always bordered on general socio-economic development with the quest for rapid development tied around ethnic affiliations. The issues of state creation and the minority question are as old as Nigeria itself. The minority question in particular has been at the front burner since the colonial era and has continued to cause crises of nation-building in the country. Without exception, Nigerian nationalities have always hinged their developmental aspirations on ethnic identities, with the majority ethnic groups (Hausa, Yoruba and Igbo), recording much greater success in development than their minority counterparts.

As early as 1957, the minority groups in the then three regions (North, West and East) demanded for the creation of more states for a better federal structure. These agitations gave rise to the establishment of some political parties, including the Benin and Delta Peoples Party founded in 1953, Midwest State Movement of 1956, Calabar-Ogoja River States Movement (1954), United Middle Belt Congress and the Borno Youth Movement. The increasing agitations by the minority groups made the government set up the 1957 Constitutional Conference to look into their demands but the Conference did not resolve the problem of the minorities. With unrelenting agitations by the minorities, government raised the Willinks Minorities Commission, which in principle accepted that there were bases for minority fears, but declined support for creation of new states. In the face of imminent secession by the then Eastern Region, the General Yakubu Gowon Military Government on March 27th, 1967, disbanded the old regions and created in their place 12 states, six each in the North and South. The states were ostensibly created to promote political stability and establish a convenient administrative system. The new federal system, with its smaller and more sub-national units, was designed to correct the structural and administrative imbalance of the country and minimise future political friction. In the view of the government, within the framework of smaller units, it had reduced the regions into, it would be impossible for any state to be ever so self-sufficient and independent. Gowon puts it succinctly: "The main obstacle to the future stability of this country is the present structural imbalance in the Nigerian Federalism. Even decree No. 8 or confederation or loose association will never survive if any one section of the country is in a position to hold others to ransom".

But as it turned out, the state creation exercise was not given proper thought. It was hurriedly

17 Professor John Kincaid, Lafayette College, Pennsylvania

carried out (with government giving in to so many compromises). No state was to be able to dominate the federation, each was to form a compact geographical area, and boundaries were to reflect administrative convenience, the facts of history and the wishes of the people. However, that was actually not the case, some strange ethnic groups were grouped into the same state, and the Boundary Adjustment Committee that was set up to look into the issues could not resolve the problem. Some states were administratively unwieldy and ethnically incompatible. In fact, creation of states threw up new minority groups while it strained inter-ethnic relationship. More than anything else, the North-South polarisation continued and rather than halt the secession bid in the East (Republic of Biafra), it accelerated it.

Some states were administratively unwieldy and ethnically incompatible. In fact, creation of states threw up new minority groups while it strained inter-ethnic relationship

In addition, the balkanisation of the Nigerian federation continued, the political and fiscal power became over centralised in the Federal Government, which has turned into an all overbearing force, doling out resources, favours and sanctions as it wills, while the 36 states are mere appendages that can hardly survive without federal allocations.

Until recently when the Islamic Jihad Sect, Boko Haram, ran amok in the Northeast to kill, maim and attempted to overrun and annex that part of the country, if there was anything that so much threatened the nation's efforts at nation-building and stability, it was the agitations by ethnic minority groups, particularly in the Niger Delta, over the allocation and control of oil revenue, compensation for environmental degradation occasioned by oil exploration, and political marginalisation.

Oil, the mainstay of Nigeria's mono-cultural economy, which many rather now see as a curse to the nation than a blessing, has been a source of persistent discontent and turmoil since the colonial era. The early Independence days saw Isaac Adaka Boro, a radical activist of the minority groups' agitators, attempt to create the Republic of Niger Delta on the failure of the 1957 Constitutional Conference, to resolve the problem of the minorities. From that period up to the early 1990s, minority agitations over resource distribution and control were characterised by peaceful demonstrations and internationalisation of demands. Peaceful protests and demands for justice and equity were registered without success. Some oil producing communities severally approached the courts but ended up with unfavourable judgements. They were followed up with letters to the post-Independence administrations but all of the efforts failed to

Alongside this, is the bitter ethno-religious crisis that the nation has been submerged in since independence. The trend became more worrying in recent times with violent ethnic conflicts on the upbeat to slow down national progress

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get any meaningful response from the authorities and then the agitators moved further to make their feelings known to government at all levels. However, beyond warm receptions and promises that turned out to be empty, nothing of significance came out of their moves. Peaceful demonstrations were staged to further draw attention to the increasing crisis in the region and other places, but they all came to naught.

Increased centralisation of the ownership and control of oil was achieved by Decree 51 of 1969, which gave the Federal Government complete ownership of all petroleum resources in Nigeria. Furthermore, the Offshore Oil Revenue Decree No. 9, gave the Federal Government total control over the entire revenue accruable from offshore oil wells in the coastal waters adjoining the oil minorities. Besides this, the government soon abandoned derivation as the principle of revenue allocation, in favour of the principles of equality and population of states, as a response to the shift of the country's source of wealth from agriculture to petroleum, and the desire of the major ethnic groups to continuously control national revenue. Following this, minority agitations became very militant and violent from the early 1990s to usher in the emergence of ethnic militias, amongst them the Niger Delta Peoples Volunteer Force (NDPVF), Niger Delta Vigilantes (NDV), Egbesu, Ijaw National Congress (INC), Urhobo National Union, Martyrs Brigade, Niger Delta Liberation Army (NDLA), Chikoko Movement, Coalition for Militant Action in the Niger Delta (COMA) and the Movement for the Emancipation of the Niger Delta (MEND) and the attendant violent protestations against economic and political marginalisation by the Federal Government.

Peaceful protests of the previous decades gave way to violent militancy. The agitations have become militant and radical, and there have been calls for self-determination and outright secession, all of which have made a negative impact on the socio-political and economic effects on the country's nation-building process. Apart from the huge loss of lives and property the agitations have claimed, until the amnesty programme of government in the region recently saw some reprieve in the area, the violence caused huge loss of national revenue from large-scale vandalism of oil facilities, disruption of oil exploration, and uncontrolled oil bunkering. Furthermore, the increased violence in the area has undermined the nation's international image with outsiders, questioning the general security and stability of the country. Alongside this, is the bitter ethno-religious crisis that the nation has been submerged in since independence. The trend became more worrying in recent times with violent ethnic conflicts on the upbeat to slow down national progress and threaten unity and stability under a democratic process that should ordinarily be more disposed to resolving the country's diversities peacefully. Since these problems are as old as the country itself, it is, therefore, not surprising that they were recognised early by the colonial rulers which influenced their choice to run the country as a federation. Similarly, in the build up to the nation's Independence in 1960, the founding fathers

of Nigeria (at the first all-Nigerian Conference in Ibadan) in 1950 opted to make the country a federal state.

It is apt to ask at this stage why they made this choice. The answer in Professor Itse Sagay's words is better sought from the most consummate student of federalism Nigeria has ever known, the late Chief Obafemi Awolowo in his book, *Thoughts on Nigerian Constitution*:¹⁸ "From our study of the constitutional evolution of all the countries of the world, two things stand out quite clearly and prominently. First, in any country where there are divergences of language and nationality, a unitary constitution is always a source of bitterness and hostility on the part of linguistic or national minority groups. On the other hand, as soon as a federal constitution is introduced, in which each linguistic or national group is recognised and accorded regional autonomy, any bitterness and hostility against the constitutional arrangements as such disappear. If the linguistic or national group concerned are backward or too weak, vis-à-vis the majority group or groups, their bitterness or hostility may be dormant or suppressed. But as soon as they become enlightened and politically conscious, and/or courageous leadership emerges amongst them, the bitterness and hostility come into the open, and remain sustained with all possible venom and rancour, until home rule is achieved.

Secondly, a federal constitution is usually a more or less dead letter in any country which lacks any of the factors conducive to federalism. From the facts and the analysis thereof which we have given and made in this section, the following four principles or laws can be deduced:

- if a country is unilingual and uni-national, the constitution must be unitary;
- if a country is unilingual, bilingual or multi-lingual, and also consists of communities which, over a period of years, have developed divergent nationalities, the constitution must be federal, and the constituent states must be organised on the dual basis of language and nationality;
- if a country is bilingual or multi-lingual, the constitution must be federal, and the constituent states must be organised on a linguistic basis;
- any experiment with a unitary constitution in a bilingual, multilingual or multinational country must fail, in the long run".

Awolowo continued: "Nigeria is not a nation. It is a mere geographical expression. There are no 'Nigerians' in the same sense as there are 'English', 'Welsh', or 'French'. The word 'Nigerian' is merely a distinctive appellation to distinguish those who live within the boundaries of Nigeria from those who do not. There are various national or ethnical groups in the country. Ten of such main groups were recorded during the 1931 census

18 Obafemi Awolowo (1966). *Thoughts on Nigerian Constitution* Ibadan: Oxford. University Press

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as follows: (1) Hausa, (2) Ibo, (3) Yoruba, (4) Fulani, (5) Kanuri, (6) Ibibio, (7) Munshi or Tiv, (8) Edo, (9) Nupe, and (10) Ijaw. There are also a great number of other small tribes too numerous to enumerate separately, whose combined total population amounts to 4,683,044. It is a mistake to designate them 'tribes'. Each of them is a nation by itself with many tribes and clans. There is as much difference between them as there is between Germans, English, Russians and Turks. The fact that they have a common overlord does not destroy this fundamental difference. The languages differ. The readiest means of communication between them now is English. Their cultural backgrounds and social outlooks differ widely; and their indigenous political institutions have little in common. Their present stages of development vary."

On this, Itse Sagay wrote, "This view, though popularised by Awolowo, was the almost universally held view about the best form of government for Nigeria". In the same vein, in 1953, during the debate on the famous motion for Independence by Chief Anthony Enahoro, Sir Ahmadu Bello, Premier of the North and leader of the ruling NPC, made one of the most eloquent cases for true federalism when he said: "Sixty years ago there was no country called Nigeria. What is now Nigeria consisted of a number of large and small communities all of which were different in their outlook and beliefs. The advent of the British and of Western education has not materially altered the situation and these many and varied communities have not knit themselves into a composite unit.... Whatever Nigerians may say, the British people have done them a great service by bringing all the different communities of Nigeria together."¹⁹

Awolowo's statement, therefore, according to Sagay, was absolutely correct. "It is even more accurate about today's Nigeria than the Nigeria of the '40s. Inter-ethnic intolerance, which has become chronic, confirms that we are a country of many mutually distrustful nations, as is evident from the clashes we have experienced since the return to civil democratic rule in 1999. There is clearly a need for the Nigerian nationalities to enjoy separate and autonomous existence as states, while uniting with each other through a Federal Government exercising some basic powers, and running some common services." Sagay propounded that federalism is an arrangement whereby powers within a multi-national country are shared between a federal or central authority, and a number of regionalised governments in such a way that each unit, including the central authority, exists as a government separately from the others. Independently, he continued, a unit operates directly on persons and property with its territorial area, with a will of its own, its own having different apparatus for the conduct of affairs and with an authority in some matters exclusive of all others. In a federation, he said, each government enjoys autonomy, a separate existence and independent of the control of any other government.

19 Prof. Itse Sagay, *Federalism, the Constitution and Resource Control*

Each government exists, not as an appendage of another government (e.g. the federal or central government) but as an autonomous entity in the sense of being able to exercise its own will on the conduct of its affairs, free from direction by any government. Thus, the central government on the one hand, and the state governments on the other, are autonomous in their respective spheres. As Kenneth Wheare put it, "the fundamental and distinguishing characteristic of a federal system is that neither the central nor the regional governments are subordinate to each other, but rather, the two are co-ordinate and independent."

In short, in a federal system, there is no hierarchy of authorities, with the central government sitting on top of the others. All governments have a horizontal relationship with each other. Thus, there can be no federalism under military rule. Professor Ben Nwabueze, identified the following additional characteristics in a federal system:

- a. "The power-sharing arrangement should not place such a preponderance of power in the hands of either the national or regional government to make it so powerful that it is able to bend the will of the others to its own.
- b. Federalism presupposes that the national and regional governments should stand to each other in a relation of meaningful independence resting upon a balanced division of powers and resources. Each must have powers and resources sufficient to support the structure of a functioning government, able to stand on its own against the other.
- c. From the separate and autonomous existence of each government and the plenary character of its powers within the sphere assigned to it, by the constitution, flows the doctrine that the exercise of these powers is not to be impeded, obstructed or otherwise interfered with by the other government, acting within its powers".

From the above, the problem with federalism, as has been practised in Nigeria since the advent of the military, is better imagined. To appreciate the enormity of the problem, it is better at this stage to understand how the situation evolved and progressed gradually into federalism and its implementation (to the disaffection of the citizens) now subsumed in perpetual agitations and threats of secession by the constituents.

With the North (on amalgamation of the country) governed separately from southern Nigeria under Lord Lugard's doctrine of indirect rule, which promoted the continued authority of traditional rulers and the status of Islamic legal and religious institutions, the South was open to missionary activities to spread Christianity in the Southeast, the central areas of the country and in segments of the South West. In southern Nigeria also, the presence of major administrative and commercial centres fostered education, commerce and a professional class to stimulate the beginning of the social and economic differences between the South and North. These differences along with institutional changes, gave rise

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to a contentious institutional landscape. The colonialists in their wisdom decided after World War II to organise Nigeria as a federal system divided into northern, western and eastern Nigeria. The country became independent in 1960, retaining that structure along with the 'West Minister' style –Parliamentary System of Government. As it turned out, however, federalism gave rise to very strong regions and a comparatively weak political centre with both the 1960 and 1963 constitutions, epitomising true federalism. This was the aftermath of the 1950 National Conference, which was quickly followed by others in 1953, 1954, 1957 and 1959, with the practice of true federalism accepted and perfected. Simply put, the period 1950 -1959 represented a 10-year era of negotiations between the major stakeholders in the Nigerian project and what they finally arrived at in the form of the 1960 Constitution was, subject to minor and non-structural modifications –the only legitimate basis of association of all the different nationalities in Nigeria.

Nothing best exemplified the 1960 Independence Constitution and the 1963 Republican Constitution as true embodiments of physical federalism, as the extensive powers granted to the regions did, making them effectively autonomous entities and the revenue arrangements which ensured that the regions had the resources to carry out their immense responsibilities. The Constitutions had instituted a true federal system made up of strong states or regions and a Central or Federal 'state' with limited powers. Both constitutions were the same, the only differences were the provisions for ceremonial president as it was in the 1963 constitution rather than the Queen of England as ceremonial Head of State in the 1960 Constitution, and the judicial appeals system which terminated with the Supreme Court in the 1963 constitution, rather than the Judicial Committee of the British Privy Council as we had it in the 1960 Constitution. The following features, which emphasised the existence of a true federal system composed of powerful and autonomous regions and a centre with limited powers, were the thrust of the constitutions:

- a. Each region had its own separate constitution, in addition to the Federal Government constitution.
- b. Each region had its own separate coat of arms and motto, from the Federal State or Government.
- c. Each region established its own separate semi-independent Mission in the U.K. headed by 'Agents-General'.
- d. The regional governments had residual power, i.e., where any matter was not allocated to the Regions or the Federal Government, it automatically became a matter for regional jurisdiction.

Thus, apart from items like Aviation, Borrowing of moneys outside Nigeria, Control of Capital issues, Copyright, Deportation, External Affairs, Extraction, Immigration, Maritime Shipping, Mines and Minerals, Military Affairs, Posts, Telegraphs and Railways, all other important items were in the Concurrent List, thus giving the regions the rights to

legislate as well as operate in those areas. The most significant of these included, Arms and Ammunition, Bankruptcy and Insolvency, Census, Commercial and Industrial Monopolies, Combines and Trusts, Higher Education, Industrial Development, the Regulation of Professions, Maintenance and Security of Public Safety and Public Order, Registration of Business Names, and Statistics.

Anything outside these two lists was exclusively a matter for regional jurisdiction. Other features indicative of the autonomous status of the regions continues:

- a. Separate regional judiciaries and the power of the regions to establish, not only High Courts, but also Regional Courts of Appeal.
- a. The regions had their own separate electoral commissions for Local Government elections. However, the Chairman of the Federal Electoral Commission was the statutory Chairman of the state (regional) Commission.
- a. The revenue allocation system under the 1963 Constitution was strictly based on derivation.

However, mines, minerals, including oil fields, oil mining, geological surveys and gas were put in the Exclusive Legislative List in the 1960 and 1963 Constitutions, a clear carry over from the provisions of the 1946 Minerals Act, under which the Colonial Government gave itself the exclusive ownership and control of all minerals in Nigeria. This was understandable under a Colonial Regime, whose objective was the exploitation of the colonised peoples, but debatable in an independent country constituted by autonomous (Federal) regions. It must, however, be pointed out that what was lost by placing mines, minerals, oil fields, etc., in the Exclusive Legislative List, was regained by the very strict adherence to the principle of derivation in the revenue allocation formula, particularly the allocation of the proceeds from mineral exploitation.

The Regional Constitutions, in the 1960 and 1963 Constitutions, described each region as "a self-governing Region of the Federal Republic of Nigeria." To buttress the self-governing status of each region, adequate provision were made to guarantee the economic independence of the regions, thus avoiding the hollowness of a declaration of self-governing status totally undermined by economic dependence. Moreover, consistent with the Federal character of the country, i.e. country of many nations, the basis of revenue allocation was strictly derivative. Section 140 of the constitution, which made provision for the sharing of the proceeds of minerals, including mineral oil, stated that: "There shall be paid by the Federal Government to a Region, a sum equal to 50% of the proceeds of any royalty received by the Federation in respect of any minerals extracted in that Region and any mining rents derived by the Federal Government from within any region." For the purposes of this section, the continental shelf of a region was deemed part of that region. This is totally consistent with international law, which characterises the continental shelf

as a seaward extension of the land of the coastal state.

Section 136(1) of the Constitution earmarked 30% of general import duties to be paid into a distributable pool for the benefit of the regions. With regard to import duties on petrol, diesel oil and tobacco, the total sum of import duty collected less administrative expenses, were fully payable to the region for which the petrol or diesel oil or tobacco

The nation grew progressively with every region, developing at its own pace and at competitive levels until ethno-regional rivalries and struggles over control of the centre eventually led to a political break down and large scale civil conflict.

was destined. A similar provision was made for excise duty on tobacco. With regard to produce, i.e. cocoa, palm oil, groundnuts, rubber and hides and skin, the proceeds of export duty were shared on the basis of the proportion of that commodity that was derived from a particular region. As noted above, the derivative bases of the allocation of revenue and the proportionate share of such proceeds that went to the region it originated from, clearly buttressed the basis of operation.

The nation grew progressively with every region, developing at its own pace and at competitive levels until ethno-regional rivalries and struggles over control of the centre eventually led to a political break down and large scale civil conflict. In the quest to stabilise the polity and promote national cohesion, the then structure of the federal system was altered, beginning with the Gowon regime and subsequent regimes, which did not only embrace the idea, but built on the Gowon initiative and expanded it. The military governments' intention was to break up the troubling major ethnic blocks and to foster political representation and resources for a greater number of minorities. From four regions, the country was subdivided in 1967 into 12 states, increased subsequently to 19 in 1976, 21 in 1987, 30 in 1991 and 36 with 774 local governments in 1996. It was still in the belief of its original intention to make the country a federal system, and solve the problem of how to keep the large and ethnically diverse groups of the country together. Following this, the derivation principle was scrapped and replaced by a revenue allocation system based on such factors as land mass, development, population etc. In all of these, Nigerian federalism has been operating in both political and fiscal contexts, without the basic principles of federal practice. Historically, Nigeria's federal system has oscillated between the excessive regionalism that marked the First Republic and the excessive centralisation of the military, and relatively, the post-military era. These changes have been necessitated by the need for a balanced federation that would give all nationalities self-actualisation and fulfilment. But rather than whittle down the powers of the central government, they further increased the imbalances in the federation by centralising and concentrating power in one unit with its attendant consequences. While states and local government creation may have aided development across the country to a reasonable level,

notwithstanding the structural changes, the North has continuously dominated the South and takes leadership in the decision on matters of joint deliberation, having been allocated more states and more local government areas in the course of the creation of states.

The seemingly domineering posture of the Northern region over other sections of the country stemmed from the introduction of the federal system in Nigeria. Available data indicates that the North's 281,782 square miles constitute three quarters of the country's total land mass. This uneven structure, even when new states are created, makes the North have a spread across over 50 % of the states of the federation. Impliedly, the northern geo-political zone enjoys certain advantages in terms of resource allocation and federal appointments, particularly where state representation is adopted as criteria in clear violation of one of the core principles of federalism; relative equality of component units in a federation. Mill's Law of Federal Instability had warned that no federation can be stable when one part of it constitutes a permanent majority in joint deliberations.

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Following this, is the vexed issue of federal character or quota system as some prefer to label it. Its application has remained another burning issue in the nation's federal system. A key provision in the 1979 and 1999 Constitutions, according to its enabling law: "The composition of the federation or any of its agencies and the conduct of its affairs shall be carried in such manner as to reflect the federal character of Nigeria and the need to promote national unity, and also to command national loyalty thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in that government or in any of its agencies". Federal character is to ensure ethnic balancing, a policy aimed at promoting unity in diversity by balancing official appointments between groups and within the officer corps of the armed forces. The contentious federal character policy, now permanently an integral part of the Nigerian federal system, was a borrowed idea, as it is not peculiar to the country. For example, the United States of America in a way applies it in the form of "Affirmative Action" and India, as "Quota System" in several areas.

The problem with the application of this policy in Nigeria, since 1979 when it was introduced, is that the conflicting interpretation and its faulty implementation has continued to give rise to results that are contradictory to the objective of promoting national unity and loyalty. It is in fact generating more contradictions and disharmonies that mar inter-governmental and inter-group relations in the country.

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Flowing from all of these, Nigerian federalism is not able to promote national integration and development adequately with the country continuously facing various protestations and agitations by groups. The challenges are not helped by the fact that access to political power at the centre is perhaps the most crucial factor in resource distribution and revenue allocation. The 'group' that controls political power at the centre ultimately controls revenue allocation and undoubtedly has the opportunity to expropriate a larger share to its own advantage and to the detriment of others. This is the reason why consistently, there is refusal to adopt absolute derivation formula as the principle of revenue allocation, since 1951. Expropriation of the larger percentage of national wealth by the various Nigerian governments, particularly since the advent of military rule, is a clear violation of the federal principle that requires the availability of adequate resources to support both the central government and the other tiers of government.

Kenneth C Wheare is handy here again: "if the Central Government is able to finance itself while the Regional Governments are unable to do so, true federalism will not be possible, no matter how much the latter desires a federal union or enacts a federal constitution, because the units would soon find it impossible to discharge their functions, or can only do so by depending on the central government."²⁰ This is one of the grave contradictions of the Nigerian federalism – the heavy reliance of states on the Federal Government that claims the greatest portion of national resources. The 1999 constitution further worsened matters. A cursory look at the second Schedule of the Constitution, which deals with the legislative powers of the National Assembly under the exclusive lists shows that all the important sectors are listed here. This suggests that the ability of the state assemblies to legislate on these matters is restricted. And to this extent, the pseudo-sovereignty of the states in the Federation is greatly eroded in such a way that the federal arrangement appears in reality to be a unitary one. The erosion of the powers of the States is more pronounced when Part II of the Second Schedule of the Constitution, which deals with the concurrent powers of the Federal Government and the federating states, is examined.²¹ Section 4 (5) clearly confers express superiority on the National Assembly in the event of a conflict between the laws enacted by the States' Assembly and the National Assembly. The section declares such law or laws by the state assembly or assemblies null and void. This gives the impression that the states are mere appendages of the Federal Government when in reality they are part of a whole²². The face-off between the Lagos State government and the Obasanjo-led federal governments, over the decision of the latter to withhold the former's Local Government statutory allocations was an eloquent

20 Kenneth. C. Wheare (1963). *Federal Government*, Oxford University Press, Oxford, London and Toronto

21 See Part II, Schedule II of the 1999 Constitution

22 Nigerian Institute of Human rights, *Federalism: The 1999 constitution and the People of the Niger Delta*, Position paper presented at the conference of the people of the Niger Delta" held in Port Harcourt, 2-4 November 1999, p. 3.

testimony to the evils of this excessive concentration and centralisation of fiscal and political powers in the centre. And for whatever else it may be worth, the 1999 Constitution is merely an embellishment of a unitary constitution, eroding all the trappings of federalism, particularly in the realm of the control of resources and devolution of powers within the various tiers of government.

Serious contradictions in Nigeria's federal system such as the colonial factor, military rule, structural imbalance, over-centralisation of power in the central government have, overtime, perpetuated various thorny issues and challenges within the Nigerian federation. While it is a fact that federalism is not synonymous with good governance, the fact that Nigeria is a federal system suggests that the properties of federalism as prerequisites for good governance in a federal polity be considered. As indicated above, in a federal system, both levels of government – the centre and the states (federating units) – are independent, but never subordinate to one another, and the relationship between the central government and the federating units is horizontal and not vertical. Furthermore, the federating units exercise exclusive jurisdictions over key areas of the economy and natural resources, and decide on which of their powers they would each concede to the federal government, excluding Defence, Customs, and Foreign Policy, which reside under the exclusive jurisdiction of the federal government. There is a federation because the federating units agree to federate. Adherence to these fundamental premises is essential in establishing a solid conceptual base for good governance in the Federal Republic of Nigeria.

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The persistent clamour for state creation suggests that a rational thought be given to the number of federating units that the system, as a whole, can adequately support. The fact that the four federating units as at 1963 have been balkanised into 36 states underlines a fundamental problem with the approach Nigerians have adopted on this issue. Besides the Midwest state, which was constitutionally created in 1963 under a civilian government, most of the subsequent 32 states created by successive military dictatorships lack the capacity to survive as independent entities. Just as a federating unit (the state) is independent of and not subordinate to the central government, political parties in the states must be independent of the parties' national executive committees that they are affiliated with. The unitary structure of political parties, vis-à-vis the federating units is at variance with the tenets of federalism. If an argument is made in favour of federating units (states), maintaining their independence from the central government, and postulating that they are co-ordinates with and not subordinate to the central government, then it is incongruous to permit a national unitary command structure in political

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parties that govern those federating units. Irrespective of the fact that a state chapter of a political party shares similar philosophical positions with a particular national political party with which it is affiliated, the state party concerned must be governed by the core interests of the given state whose interests may conflict with those of the national executive committee of the party. Similarly, the state executive committee of the party is not obliged to endorse the presidential candidate of the party if, in its judgment, such a candidate espouses policies inimical to the core interests of the given state. Thus, the national executive committee of the party has no jurisdiction over the state executive committee. This is a core aspect of federalism. It also dictates that political parties do not need to satisfy any geographical spread as a criterion for contesting elections for any office in the polity. Respect for this fundamental principle will eliminate the interference of a party's national executive committee in the internal affairs of a state, and thus facilitate the prospect of good governance.

Similarly, each state has to operate its own electoral commission, (whose responsibility it would be to conduct and supervise elections for the offices of governor, deputy governor, state house of assembly, and local government councils) on a schedule different from or coinciding with national elections for the presidency and national assembly. As an independent entity in a federal system, the federating units must possess exclusive jurisdiction over the institution that is responsible for conducting and supervising elections for political offices in their respective territories. To cede this function to a national electoral commission is to vitiate the independence of the federating units and compromise federalism.

More of a Burden

The twin problems of a pseudo-federal system that has continued to hamper all aspects of the nation's national life and a defective structure, have laid on her the burden of unviable federating units. More of mere appendages of the centre instead of equal partners in a federation, the 36 states and 774 local governments are completely dependent on the central government for survival, no thanks also to a system that has aggregated all of the nation's revenue, including those harvested from the states to a central purse under the care and management of the federal government.

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Until the military intervention (overthrowing the post-independence civil administration and constitution in 1966), the country was run on a three and later four-regional basis – the North, East West and Mid-west regions and they operated independently, generating their revenues and paying royalties only to the centre. With the military too impatient to

allow the people make mistakes and learn from the mistakes, the four-regional structure was not only split into 12 states to check what they termed the over-bearing dominance of the major ethnic groups over the minorities, the federal structure of governance was dismantled for a unitary system that saw the states, losing their independence and resource control, to weaken their power of productivity, development and orientation. The military's arguments and solutions to the nation's instability and crisis of unity had so much bearing on those who drafted the 1979 constitution, which again formed the nucleus of the 1999 constitution now in operation.

Unity was given as the main reason for splitting the country into states to replace the regions. The result is that the states have grown very weak, depending completely on monthly allocations from the federation account and making less attempt to embark on any serious drive for Internally Generated Revenue (IGR). Many of the states can hardly survive for a month, talk less of paying their workers' wages without federal allocations and grants contrary to what operated in the first republic when the centre was the weak link that depended on the regions for revenue and enhanced development and growth. With dwindling oil revenues, as a result of low production output and theft of crude oil meant for exports to make revenue targets unrealistic, meeting monthly allocations to the three levels of government in recent times is difficult. Consequently, many states and local governments are finding it difficult to pay workers' salaries and allowances and meet other social services. In many of the states and local governments as well, capital projects have been frozen as debt stocks are being piled up, contractors are owed and governments have resorted to survival on loans.

Many reasons have been adduced for this situation, including the weak nature of the federating units, the unitary nature of the system that has concentrated too much power at the centre and the complete departure from the principles and processes that governed the federation under the 1963 Constitution.

While the Revenue Allocation Formula, under the 1963 Constitution, was strictly based on derivation, the allocation formula (in operation as at 2014, and as reviewed in 1992, formulated by the Modification Order issued by former President Olusegun Obasanjo in May 2002, and amended in July 2002 and January 2004 respectively), has peaked the monthly share of the Federal Government at 52%, States 26.72%, and Local Governments 20.60%. There are agitations, particularly in the South for a review of the formula not only in favour of derivation but to bring down the huge share of the federal government against the combined shares of the 36 states and the 774 local governments, which has not only made the centre unnecessarily powerful, but has rendered the states and local governments more of junior partners cum servants in the federation arrangement. While the original intention of splitting the regions into states was to stem the continuous out-

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cry of the minorities against major ethnic domination, such factors as ethnic balancing, equality of states and viability were found to have been sacrificed on the altar of tribalism, ethnicity etc. Leaders of these states do not help matters either; no serious thought is given to alternative sources of revenue to add up to the free money from the centre, just as various areas of strength that made the nation thick and vibrant in the first republic, have been neglected to wither away. Except for Lagos, whose IGR is known to have grown to over N20 billion monthly and one or two others, perhaps in the oil-producing Niger-Delta states, all the others, are being nursed to survive.

To make matters worse, the revenue allocation formula spelt out under Section 162 of the Constitution tilted the revenue sharing heavily in favour of the Federal Government, particularly as it relates to derivation for which it provides that: "The principle of derivation shall not be less than 13% of the revenue accruing to the Federal Account directly from natural sources." The fixing of a percentage negates the principle of true federalism. It is the reason oil mineral producing states have continued to oppose the 13% derivation and are clamouring for total control of their resources and payment of taxes to the Federal Government in preference to the current order. Closely related to this is Item 34 on the Exclusive Legislative List of the constitution, empowering the central government to legislate on national minimum wage. This is obviously in prejudice to the disparity in conditions of service, revenue, derivation and resources of each State. There have been spates of strikes and lock-outs in virtually all the States of the federation over the demand for payment of the new minimum wage, which the Federal Government pegged at N18, 000.00 to show the absurdity of this provision. States ordinarily should individually determine how much they could pay to their workers based on their available resources; fixing of minimum wages for States ought not to be the business of the Federal Government; it is another reflection of the many contradictions in the 1999 Constitution. The governments of the states have been reduced financially to the level of impotency and incapability such that their growth and development and standard of living of their citizens have been stunted.

To lift this burden of unviable federating units off the nation, a just revenue allocation system that will enthrone equality of the federating units and better co-ordination at the federal level to eliminate the current renter syndrome has to be enthroned. According to Professor Soludo: "For the military, state creation became an instrument of divide and rule and elite appeasement. As a legitimising carrot, powerful elites, who constituted major oppositions to successive military regimes, were patronised by 'giving' them a state or local government or 'capital' of state or local government. At least, those elites could have their own 'empires' to rule or 'chop' from. Almost every military regime dangled state creation to keep the elite busy and to also buy support. Currently, state creation is also being dangled and the elites are busy campaigning and lobbying. The legislators and

executives are promising different groups that they will 'give' them more states. It always works, but to Nigeria's collective loss"²³.

As stated earlier, state creation is a failed strategy. When the 12 states failed to ensure 'stability', 'equality', 'justice', and 'remove the fear of domination' as envisaged in 1967, more and more states were created until states tripled in number, to 36, and now the 2014 Constitutional Conference has recommended the creation of 18 more states to bring the total to 54. It should be clear to all by now that the more states there are, the higher the agitation for more becomes. There is the economic argument that state creation is to 'bring development closer to the people'. This argument does not consider the economic waste inherent in the multiplicity of states, including such offices as governors, commissioners, permanent secretaries, advisers and special advisers in the 36 states (or the soon to be 54 states). Add the state assemblies, the 774 local government councils and their councillors. This way, it is clear where the money goes and why there is no money left for economic development as recurrent costs are multiplied together with some fixed costs, irrespective of the size of the government. Currently, most state governments spend more than 70% of the budget on recurrent expenditure.

However long it takes, Nigeria will come to realise the wastefulness in continuous state creation and the fact that this is a road that should never have been travelled. In due course, this issue will have to be resolved. Unfortunately at that time, numerous opportunities would have been missed. What needs to be done when the country ultimately wakes up from its slumber is to consolidate the states in each geo-political zone into potentially more viable six regions. The six regions should become the 'federating units', and operate largely on the principle of equality of regions in terms of representation and all spheres of national engagements. Under this, Nigeria should return to the revenue allocation formula in the 1963 Republican constitution to bring to an end the feeding bottle federalism it seems to be operating now. Each region should take charge of its mineral resources and pay royalties to the Federal Government. The aggregation will eliminate the unbelievable waste and duplications in bureaucracies and free up resources needed for investment. Economies of scale, resulting from the consolidation of states will ensue. Competition among the regions as was the case before the oil boom and 'creation of states', could unleash a transformation boom, with one or two regions becoming bigger than the current Nigerian economy in the near future. What is important is for the federating units to be fiscally viable, because only then can they drive different economic transformation agenda. If states are no longer the constitutional basis for appointing ministers, there may be no reason to have more than 18 ministers at the federal level, a position already canvassed by the 2014 Constitutional Conference.

23 <http://www.nairaland.com/1062737/reconstructing-nigeria-prosperity>

A Do or Die Fight for the Plums

One most glaring effect of the "unitary federation" (if addressed as that), from the preceding analysis made so far is the all-powerful nature of the central government and the weakness of the other two tiers of government –the states and local governments. As

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provided by the 1999 Constitution, the President of Nigeria is the most powerful head of government in the world, more powerful than even the President of the United States of America. In the executive arm of government, the president and the vice are the only political office holders voted for to earn the mandate of the people. The president has the sole authority to constitute his cabinet and assign portfolios, as well as the responsibility to make executive and non-executive appointments into the administration, including those of the electoral body and leading judiciary officers. The president's awesome powers not only stops the

buck on every matter at his table, it makes that position 'a winner takes all affair', for the party fortunate to assume that office and become the ruling party. The person or the party in control of the centre monopolises all the state's instrument of cohesion, the security agencies, including the armed forces, the police, the secret services and the para-military forces; they also have total control over the resources of the federation to which the centre receives 52% under the operating revenue allocation formula.

This huge power of the centre and its absolute control over the nation's resources have not only made national elections a do or die affair, but it also gives an electoral edge to the ruling party with so much public funds and state power that can be deployed to support its electioneering activities, to provide an uneven ground for electoral contest. In a society where illiteracy is still high and people are not very informed, it automatically translates into the opposition being so weakened and decimated, that not only are the chances of survival getting slimmer by the day, the possibility of power changing hands in an electoral defeat of the party in power is also made very remote. The situation does not allow for healthy politics or politics based on principles and ideology, as all prefer to go with the ruling party at the centre with all its attractiveness, leading to a hollow and an inept national politics. Most disturbing today to political analysts is the concentration of excessive power at the centre, making it more attractive, and breeding undue struggle for control at that level, not only between the opposition and the ruling party, but among the nation's ethnic groups, thus, creating disunity. This is based on the fact that the group who controls power at the centre controls the country's resources for its own use and development. It is a restructuring of the centre that can address the high political tension in the country that has been created through this problem. Such a restructuring will reduce the powers at the centre to douse the do or die approach to politics aimed at

controlling the centre.

Grappling with Foreign Political Systems

At Independence in 1960, Nigeria adopted the parliamentary system of government, but after six years of running the system in 1966, it finally crashed with a coup and take-over of the government by the military. Nigeria first adopted the presidential form of government in 1979 with Alhaji Shehu Shagari as President but the military intervened again in 1983 to cut it short, throwing up General Muhammadu Buhari, as Head of State. After him was General Ibrahim Badamosi Babangida, and then a civilian, Chief Earnest Shonekan, followed by General Sani Abacha, General Abdusalam Abubakar, who finally made the Fourth Republic possible in another presidential system of government that returned former Military Head of State, General Olusegun Obasanjo to power as a civilian president. He was succeeded by Umaru Musa Yar'Adua, and then, Dr Goodluck Ebele Jonathan.

The problem here is the inability of the country to evolve a suitable model of government for itself. At Independence, the country embraced the West Minister style, Parliamentary system after the British, who were its colonial masters. As a country just birthed from colonialism, it would be safe to say that it had little or no say in the choice of a system of government bequeathed to her. This is evident in the fact that no former British colony adopted a different system at Independence. The country

had been imbued with so much imbalances from the colonial times, giving no leeway for any trust among the ethnically skewed political class. The rivalry for the control of the centre was acrimonious, making the first post-colonial general elections of 1964 a very bitter battle. There was widespread turbulence over the elections in the opposition – the Tiv area of Central Nigeria and the South west, leading to the intervention of the military, and the overthrow of the civilian regime and the constitution. The country operated the parliamentary system for just six years, but before it could reasonably perfect it, the military had taken over power in a coup de tat. Within the period, however, some of the imperfections of the system came to light, notably among them was the provision of the powers of the Governor-General (later designated President) under the Republican Constitution over the Prime minister and vice versa. The Governor-General, whose office was essentially ceremonial, represented the British Monarch as Head of State and was appointed by the Crown on the advice of the Nigerian Prime Minister in consultation with the regional premiers. The Governor-General, in turn, was responsible for appointing the Prime Minister and for choosing a candidate from among the contending leaders as Prime Minister (when the Prime minister and his government for any

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reason lost their parliamentary majority). The government as a whole was responsible to the parliament.

In the bid to explore these powers on the part of both Nnamdi Azikiwe and Tafawa Balewa after the highly discredited 1964 elections, for a period of four days after the elections, Azikiwe, in his capacity as President of the Federal Republic of Nigeria and in reaction to the general condemnation of the elections as flawed, refused to invite Balewa to form a new government as Prime Minister even though his party, the NPC, had been declared to have won the majority seats in parliament. Balewa and his party, in reaction, worked on plans to declare Zik, who was then indisposed, medically unfit to continue as president of Nigeria and to install Sir Adetokunbo Ademola as President to make it possible for them to form a government. This was the immediate cause of the problem at that time. However, there were remote causes starting with the fact that the constitution and the parliamentary style of government suffered from the political mechanisation and interest of majority groups in the country, which was centred on power control and economic benefit. Consequently, there was deep rivalry between the ethnic and regional groups. This constitution ended with the first republic, due to tension in several areas including the Western region/Tiv/Action Group crisis of 1963, the census of 1962-64, wage labourer strike of 1963, the 1964/65 federal elections and the Western region election of 1965. In relation to this was non-adherence to constitutional provisions by the political class, absence of separation of powers, checks and balances and non-independence of the judiciary, with the power to appoint judges removed from the judicial service commission.

The imperfections of the 1963 constitution anchored on the Parliamentary System of Government made those who drafted the second republic constitution to come up with a new constitution modelled after the American Presidential system, 13 years after the first stanza of military rule. The constitution was drafted by a 49-member committee, headed by the late Chief Rotimi Williams, in 1975 and was later ratified by a Constituent

Amongst a few of the defects of the 1979 and 1999 constitutions were that the presidential system as is presently practised, has become too expensive to operate. Elections too have become astronomically expensive

Assembly in 1978. The constitution consolidated power at the centre, reminiscent of a command and control system known and applied by the military. There was a federal constitution for Nigeria while the constitution of the federating states as we had it under the parliamentary system in the first republic was abolished. Impliedly, the other tiers of government now have to organise their governments with the co-ordination of the power at the centre (federal government). The 1979 constitution replaced the former parliamentary system of government with the American-styled presidential system, providing direct election for the president and state governors and their

deputies. As it has turned out in the last 16 years of the introduction of the Presidential system of Government, the defects are far more than what was observed of the parliamentary system, leading to questions on why the parliamentary system was not retained, and the observed anomalies then corrected through continuous constitutional amendments. The good thing about the Nigerian Parliamentary system was that unlike the British unwritten constitution that it is based essentially on conventions, the Nigerian Constitution was written and subject to amendment. Amongst a few of the defects of the 1979 and 1999 constitutions were that the presidential system as is presently practised, has become too expensive to operate. Elections too have become astronomically expensive, as it seems executive positions are now bought, and investments are recouped with very high returns. There are also the recurring clashes or conflicts between the executive and the legislature, the impeachment clause being too flexible and having the propensity to lead to instability; corruption and abuse of office are on the increase, with lobbying being legalised as synonymous with cash payments for legislating and oversight functions.

However, there is the opposing view that the problem is not with the system of government operated, but the colouration at adoptions in the bid to adapt them to suit the country's interests and situations. There is also the debate on how the system is practised, with agitations for a home-grown alternative if the country is not to continue with a circle of changing from one foreign system to another, including those of the French system as once advocated by former Military President, General Ibrahim Babangida, Germany and Japan in a merry-go-round process. Emmanuel Uzo Obi, a political analyst, is one of those who holds that view point. What most Nigerians perceive as the differences in the presidential and parliamentary systems, he said, are elementary. Unless very elaborate means of education are adopted, the politicians, according to him, may never understand the workings of the presidential system. For example, to show some of our trend of thoughts, it is common to hear such expressions as Executive President or Executive Governor. Such terms are not in vogue in the US system even though the governors have executive powers. The way we emphasize the term in Nigeria, Uzo Obi argues, suggests a disposition to dictatorship which is based on a thorough misconception and misunderstanding of the US system.

There is the view point that the presidential system is not expensive except that Nigeria has chosen to make it so. The presidency cannot justify the large cabinet and advisers to special advisers it currently operates, neither can the country justify the large number of states and senate and representatives' seats when compared to what obtains in the United States. The argument about whether the country should continue with the presidential system or return to the parliamentary system has since sparked off a debate across the country. Proponents of a return to the parliamentary system like the Yoruba Ethnic Nation and the Ohanaeze Ndigbo, insist that the presidential system has amongst

others become too expensive for the country to continue to operate. Dipo Famakinwa, a Yoruba opinion leader, at the Ibadan assembly meeting of the ethnic group on August 30th, 2012, (scheduled to discuss their future and position in the Nigerian federation, whose unity and future, they claimed, was under severe threat), stated that the presidential system as being practiced in the country was too expensive; faulting it, in his opinion, for breeding corruption. Besides, the people have continued to frown at the fact that the federal government takes more than half of the total revenue earned by the country and only doles out the remnant to the 36 federating states and the 774 local governments. In Famakinwa's view, the system was designed to deliver poverty and squalor to the citizenry, as a result of insufficient funding of the component units. Famakinwa also advocated the evolution of a new constitution, as well as the restructuring of the country to allow regional autonomy.

It is the huge cost of running the present presidential system of government in Nigeria that has given credence to the clamour for a reversal to the old order of parliamentary system of governance. The calls were further strengthened by former CBN Governor, now Emir of Kano, Mallam Lamido Sanusi's alarm in 2013, over the high cost of maintaining members of the National Assembly. According to Sanusi, ₦158.91 billion was spent on the legislator's overhead in 2012, which amounted to 25% of the total budget.

It is the huge cost of running the present presidential system of government in Nigeria that has given credence to the clamour for a reversal to the old order of parliamentary system of governance.

Some reports indicated that the quarterly allowance for a senator was ₦45 million and ₦42 million for a member of the House of Representatives. The salary and allowances reportedly approved by the RMAFC for political, public and judicial office holders with effect from July 2009, allocate to a senator, an annual emolument of ₦8,206,920, while a member of the House earns an annual income of ₦6,352,680. Each senator is said to be entitled to ₦11,145,200 in allowances, which the RMAFC described as non-regular. It is collected at the beginning of the tenure. The total annual emoluments, however, comprises

the basic salary, which is ₦2,026,400 for a senator and ₦1,985,212.50 for a member of the House. In addition, there are allowances for vehicle maintenance, fuelling, personal assistants, house maintenance, domestic staff, entertainment, utilities, constituency, newspapers and periodicals. The non-regular allowances include accommodation, ₦3,039,600 for a senator; furniture allowance, also ₦3,039,600; and vehicle loan, ₦5,066,000. Besides, each senator is also entitled to an annual leave allowance of ₦202,640. The non-regular allowances of the members of the House include: accommodation allowance of ₦2,977,818.75; furniture allowance ₦2,977,818.75; vehicle allowance ₦4,963,031.25, and leave allowance ₦198,521.25 per annum. Also, the senate president earns ₦7,452,727.50 while his deputy and other senators get ₦6,927,

500.25 and ₦6,079,200 respectively. For severance gratuity, a senator and member of the House will take home 300% of his annual basic salary. In the House, the severance gratuity as approved by the RMAFC is ₦7,431,330 for the Speaker; ₦6,861,102.75 for the deputy and ₦5,955,637 for other members. From 1999 to 2012, official statistics from the ministry of finance indicate that the three levels of government shared from the federation account, a staggering sum of N36.4 trillion, yet the 'dividends of democracy,' a phrase that has become a sing-song since the nation returned to democracy, are yet to reflect on Nigerians.

With such facts in public domain, calls for a return to the parliamentary system in the absence of a home-grown alternative have become constant even though not much attention has been given to it by those in authority. Former President of the Nigerian Bar Association, NBA, Chief Wole Olanipekun, SAN, once said in a newspaper interview that all the arms of governments were involved in acts of profligacy. According to him, "the question of whether or not Nigeria needs a bicameral legislature cannot be detached from the question of whether or not Nigeria needs the presidential system. The high cost of running government is not restricted to the legislature, but, indeed, starts with the executive, at the federal, state and local government levels. I believe that we just have to take a decision and go back to the parliamentary system, which is less costly and more effective. We can only do this through the instrumentality of a National Conference. But the present National Assembly cannot bring it about, for several obvious reasons. We have an excessive system of government with 37 Chief Executives at the federal and state levels in terms of the president and governors and their deputies. America, perceived as the richest and most powerful country in the world, does not run our type of excessive government. Most of the earnings of the various governments in Nigeria are dissipated on recurrent expenditures at the expense of capital projects".

Similarly, Senator Seye Ogunlewe, a former Minister of Works, submitted: "It is cheaper, accountable and more reliable to allow policy makers to be responsible to their parliament. In the parliamentary system, you have to vote for the people that will rule you, than that of the presidential system where you vote for only two people --the president and the vice president --and the president has to appoint his own ministers that will not be accountable or relevant to the parliament. It is the most corrupt and dangerous system to run and it will not help in terms of development and transparency in a country like Nigeria. Our policy makers have to do something about it. Ghana is a parliamentary system but they still have a president. So, why don't we emulate Ghana? Their president and the other arms of government are all accountable to their parliament. Their government is doing perfectly well in terms of delivery and transparency to their parliament (as was shown under governance metrics discussed earlier). So, why can't we do the same, rather than depend on one person to decide what to do? The presidential system is not good for Ni-

geria – a developing country. So, our policy makers have to do something about it fast.”

Former Governor of Anambra State, Dr Chinwoke Mbadinuju also allied himself with advocates of ‘a return to the parliamentary system’, arguing that there was better discipline of government and governance under the Westminster system with a prime minister, an opposition leader and all elected parliamentarians, facing each other during debates in the National Assembly, as we have it in Britain. Secretary-General of Ohanaeze Ndigbo, Chief Nduka Eya, while endorsing the position of the Yorubas, said: “Before the presidential system was introduced, we had four regions. The North accepted the regions and we had parliamentary system. The presidential system is very expensive; if we continue with it, we will soon go bankrupt. The parliamentary system worked for us. Then, if you did not win an election you cannot become a minister. Now the president appoints ministers from everywhere and they are not accountable to the people. We, Ndigbo, agree with the Southwest on six regions, which should become the federating units. The federal government should have nothing to do with state or local government creation. There is a constant demand for new states and local governments, because the military made them avenues for getting more allocation from the centre. Local governments should be the states’ creation; they are not federating units. We stand for equity, fair-play and justice. The military gave the North undue advantage and they do not want to relinquish it.”

But the North and such leading citizens as Mr Fred Agbaje, a front line lawyer, do not share the view of returning to the parliamentary system, describing it as a recipe for the disintegration of the country. Alhaji Lawal Kaita, former Governor of Kaduna State and frontline spokesman of the North, stated in a national daily in reaction to the position

All ex-colonies of Britain, including Singapore, India, Malaysia, Ghana, South Africa and Indonesia, among others are still operating the inherited parliamentary system of the colonial overlord, albeit with modifications and they have prospered with better governance

of the Yorubas, that the call for regional autonomy and a return to parliamentary system of government was self-serving and had the semblance of secession. “I do not really understand what they mean by regional autonomy. They should be bold enough to say that they do not want to be part of Nigeria any longer and stop talking about what does not make sense anymore in the country. Regional autonomy and parliamentary system of government can no longer serve a complex society like Nigeria, and our founding fathers were wise enough to jettison it and adopt the present presidential system, which to all intent and purposes, remains the best for a country like Nigeria,” Kaita said. He insisted that neither

the granting of autonomy to any region in the country nor a return to the parliamentary system of government would solve the socio-political problems of the nation, stressing that all that was needed to make the presidential system work was to strengthen the in-

stitutions of government to serve the citizens better and reposition the country as a strong, united nation. National Secretary of the defunct Congress for Progressive Change, CPC, Buba Galadima, also described calls for regional autonomy as an invitation to the dissolution of the country. According to him, "If they, the government, make the mistake to allow the kind of regional autonomy requested by the Yorubas, it will be a recipe for the country's disintegration, because of the kind of politics, being played in Nigeria today. Our political immaturity would lead to dismembering the country as soon as any region is granted autonomy."

In the same vain, former Minister of defence, Dr Bello Haliru Mohammed, described the call as retrogressive. According to him, states replaced the regions because of demands by ethnic nationalities for self-determination, adding that a U-turn to the old structure would be a repeat of the scenario where major ethnic groups like Hausa, Yoruba and Igbo were in total control of the regions and marginalised other groups, and that rather than advocate regionalism what was required of the country now was to sit down and work out the modus operandi of our federation to accommodate all the ethnic diversities without any section feeling dominated. "Going back to regional structure is going to be retrogressive because states were created because of the demand by ethnic nationalities for self-determination. To go back to regional structure where the major ethnic groups like Hausa, Yoruba, and Igbo were in complete control of the regions is dangerous. General Yakubu Gowon responded to the demands of the minority groups and created states to allow for some level of self-determination for ethnic nationalities. Going back will make major ethnic groups continue to dominate the minorities. Now, there is some level of equality among the nationalities regardless of the number and size. What Nigeria needs now is to sit down and work out the modus operandi of a federation that would accommodate all ethnic diversities, without one section feeling a sense of domination by others. The federating units should be different ethnic nationalities as we have in states, if there is need for creation of more states like in the case of South-East and also to break some of the larger and more populated states in the North and South, that can be accommodated, rather than going back to regions," Haliru Mohammed argued. Fred Agbaje, a lawyer and lecturer at the Lagos State University, in agreement with that position said despite the inherent abuses in the presidential system of government, it remains the best form of government for Nigeria. "Nigeria, as a multi-cultural and multi-religious nation, needs the presidential system, particularly because of the minority ethnic groups that otherwise will be highly marginalised. Nobody should take Nigeria back to a cabinet system of government when we had fewer states, because it cannot work under the present socio-political economy of the country. Minority areas that are recognised constitutionally and provided for, will fizzle out under a parliamentary system", he warned.

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Given the fact that the consent of the people are not sought through referendum or otherwise before these systems of governments are adopted and foisted on them or discarded, the question is, who determines what form of government is suitable for the country or not? It is strongly contended that until the country takes the interest of the generality of the people into consideration in determining what sort of government is most suitable to operate or the nation evolves a conference of ethnic nationalities to determine a home grown constitution and system of government, the nation might continue to grope in the dark on matters of constitutional government. But as it stands, the brand of the presidential system of government, being practiced has become too expensive to operate. Given that all ex-colonies of Britain, including Singapore, India, Malaysia, Ghana, South Africa and Indonesia, among others are still operating the inherited parliamentary system of the colonial overlord, albeit with modifications and they have prospered with better governance, it is instructive that Nigeria makes a detour and returns to it, particularly as it has been established that it generates cheaper elections and is more cost effective and accountable.

The struggle continues

The legislature in Nigeria is as good as the entire system of government that is operated; in fact, the two are not only closely related, they are one and same. A legislature, simply put, is a body of persons in a country or a state vested with the power to make, alter and repeal laws. Usually bi-cameral or uni-cameral, the primary function of the legislature is to make laws "for peace, order and good governance." This function embraces deliberation on matters of general and/or particular interest, law making, debating, amending and enacting government proposals for the use of public money or appropriation, and checking the executive branch through oversight functions. A legislative structure on the other hand is a platform on which a legislature is founded. In Nigeria, the current structure of legislature, under its presidential system of government, is the National Assembly. The Nigerian legislature is bi-cameral, made up of the Senate and the House of Representatives. The American system (also like that of Nigeria) is the Congress, comprising the Senate and the House of Representatives. Britain, whose system, is equally as popular and admired as the American Presidential System, the Westminster Parliamentary system, also operates a bi-cameral legislature --the House of Commons and the House of Lords.

Until the fall of the First Republic, Nigeria practised the parliamentary system. The bitter rivalry for power at the centre, corruption and ethno-religious crisis led to a breakdown of law and order and the subsequent military intervention to discard that system. The eventual return of the country to civil rule, after over 30 years of the military in power, led to the adoption of the presidential system and the bi-cameral legislature in the National Assembly. Since the advent of the Fourth Republic, however, the National Assembly has not really measured up to the peoples' expectation. Besides its abysmal performance in its legislative functions, the lawmakers have (further to the discontent of the people

over the current system in place) made it too expensive to operate. With the overhead costs, arising from their salaries, wages and allowances, becoming unmanageable, calls for a change of the entire system of government vis-à-vis the legislative structure have continued unabated.

The 1999 Constitution, like the previous ones, intended to make legislators the custodians of the peoples' sovereignty as enshrined in Chapter two, Section 14, 2 (a) thus: "Sovereignty belongs to the people of Nigeria from whom government through this constitution derives its powers and authority". To give effect to this, the Constitution placed a very high premium on the question of accountability of the legislative assemblies to the people, by providing for periodic elections (four years) and the recall of elected lawmakers, which in itself has become obviously impracticable in our environment here. While the poor performance of the current legislature is something of general knowledge, the challenge of assessing its performance in the realm of governance has remained very daunting. To begin with, there is the question of what can be attributed to the effectiveness or otherwise of the legislature, given that the country's return to civilian rule in the last 16 years has been marked by continued economic decline and some spirited attempts to grapple with economic reforms, deterioration in the state of security, progressive decline in the living conditions of most Nigerians, all of which have resulted in obvious tension between the state and civil society, and the fear of relapse into military dictatorship.

Also, there is the fundamental problem of what constitutes the index of governance to be used in the assessment. For instance, given that the foremost role of a legislative assembly is law-making, should the focus be on the number of bills passed? What about consideration for the quality of such bills and their relevance to urgent national issues of economic reform, sustainable growth, the promotion of welfare, national unity and integration? Or given that the overbearing powers of the executive has been a recurring decimal in Nigeria's troubled democratic past, would there not be a focus on the effectiveness of the oversight functions of the legislature to the detriment of other issues, realising that it is within the framework of the oversight functions that the doctrine of separation of powers and checks and balances central to the principles of democracy and governance take on greater meaning? There is also the additional dilemma of whether there should be a focus on the effectiveness of the legislators in the primary task of representation, especially where the contradictory pulls of constituency interests and the national interests may co-exist in tension. These concerns play up when dealing with the legislature in the fourth Republic, considering the divergent viewpoints, regarding the expectations from it. For example, there is what could be regarded as a minimalist position, shared by those who consider the restoration of civilian rule in May 1999 as marking the beginning of Nigeria's transition to democracy. From this perspective, issues such as convening a conference of ethnic nationalities, constitutional reform and the re-professionalisation of the armed

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forces, among others, were expected to get the attention of the first National Assembly. Another equally important perspective would be to see the fourth Republic legislature as an institution for policy-making in a democracy, in which case, its assessment needs to be situated within the overall framework of the functions of the legislature in relation to law making, supervision of the executive through oversight functions, and a host of other functions.

On the whole, the legislature is supposed to be the first line of defence, the bulwark of resistance against executive excesses and high possibility of descent into authoritarianism, particularly as it is common with the presidential system. More than anything else, this ought to be the watch word in Nigeria, where executive dominance has become part of the chequered history of democracy. In summary, the importance of the legislature arises from the fact that its functions are not only overwhelming, they tend to cover both executive and judicial responsibilities, being a stronger expression of the popular will of the people. Indeed, if we were to hazard a guess from the experience of western democracies, where the creation of parliaments and constitutions that became the foundations of the liberal state emerged from, the struggles of the nobilities, the middle class, workers and peasants, a legislative assembly can be said to represent, as Marx would put it, the illusory forms of the class struggles, providing a platform for contestations of several political forces and tendencies that exist within the political community. As an embodiment of the principle of representation and a key element in the theory of representative democracy, the performance of parliament provides an opening, no matter how limited, of measuring the extent to which the people, through their elected representatives, exercise power in the process of law-making and policy formulation.

As this adequately represents what an ideal legislative arm of government ought to be, it is necessary to examine why Nigeria has fallen short of this so far, taking a retrospective look at how it emerged under this dispensation and the effect it would have had on its outlooks and performance. The transition to the Fourth Republic, which eclipsed decades of military authoritarian rule and several truncated or stalled transition programmes that were deliberately designed not to usher in viable democratic order, spanned through the iron fists regimes of Generals Ibrahim Babangida (1985 – 1993) and Sani Abacha (1993–1998). However, the sudden death, on June 8th, 1998, of General Sani Abacha, dramatically changed Nigeria's political landscape for the good, as his successor, General Abdulsalami Abubakar, realising the obvious threat to Nigeria's corporate existence, particularly by regional reactions to the annulment of the June 12th, 1993 presidential elections and the continued incarceration of the winner, Chief MKO Abiola, quickly announced a 12-month programme of transition to civil rule. Abdulsalami kept to his promise, organised the elections, beginning with the local government elections in December 1998 and ended with the presidential election in May 1999 to return the country

to civil rule. However, laudable as the Abdulsalami effort was, the spectre of a hurriedly implemented transition continues to haunt the performance of democratic institutions generally, the National Assembly in particular.

After the elections, the dominance of the PDP, which won the elections hands down, emerging in absolute majority in the two chambers of the National Assembly, raised the fear in some people that the two organs might become too close to render the legislature a rubber stamp of the executive. Closely related to that was also the fear that the country could be reduced to a one-party state, with no meaningful opposition, leaving the entire process of governance to the whims and caprices of the ruling party. But all that soon gave way with the threat of impeachment of the president by the same legislature at a point. The overall performance of the national legislative assembly in the strengthening of the emergent governance regime was largely dictated by the political dynamics within the ruling PDP and the legislative assembly, and the relationship between the executive and the legislature. The zoning policy of the ruling party, for example, left the National Assembly with no other option in the recruitment of its leadership and thus negated the constitutional provision that members of the National Assembly shall elect from among themselves, persons to occupy positions such as Senate president and the Deputy, and the Speaker of the House of Representatives and the Deputy. Notwithstanding the spate of the removal of the leadership, especially in the Senate, the choices were limited to the zone to which a particular office had been allocated.

As Shultz correctly observed of Third World legislatures, they suffer from executive dominance, functional ambiguity, proceedings from a limited decision-making role, the popular election of legislators, constitutional supremacy, the absence of lobbying by private interests, and uninformed debates often focusing on parochial concerns of the legislators²⁴. Unknown to Shultz, the problems as highlighted are more peculiar to Nigerian legislatures, particularly in this dispensation than any other Third World country's. These environmental factors vary from the prevailing party system, the salience of ethno-religious and regional identities in the construction of political identity, political mobilisation, to the prevalence of the culture of militarism. It may be helpful to elaborate on the salient aspects of the political environment and the impact it could exert on the performance of the legislature, for instance, the tradition of executive dominance and what is widely acknowledged as the relatively 'underdeveloped' nature of the legislative arm of the Nigerian state. It needs to be emphasised that the dominance of executive power and the corresponding decline of parliamentary bodies is a more generic problem in presidential democracies, including that of the most successful presidential democracy in the world, the United States of America (Olson, 1980). The manifestation of the tradi-

24 M. Shultz (1968). *Parliaments in Former British Black Africa*

tion of executive dominance is related to Nigeria's colonial and post-colonial history, and, in particular, the continued strengthening of the executive branch in the course of the frequent disruptions of constitutional structures of governance and the long history of military rule. By extension, it is also related to the dominance of the public bureaucracy in the policy-making arena, a situation which tends to be strengthened by the lack of experience and understanding on the part of the legislators of the complex working of government and the policy-making process. It may be helpful to briefly elaborate on this matter in order to draw out the implications on the performance of the first National Assembly.

The conclusion that the legislature remains a weeping baby in its relationship with the executive arm of government derives largely from the history of the legislature in Nigeria. In the colonial period, what then existed as the Legislative Council was not the organ of the colonised people in exercising power or influence. In the post-independence period, the frequent interruptions of the democratic experiments have not allowed for the

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growth and nurturing of the legislature. The first sovereign legislature or parliament in Nigeria came in October 1963 when the National Parliament enacted a Republican Constitution. The 1964/65 general elections a year later offered the opportunity for its consolidation, but series of political conflicts shook the new democracy to its foundation. Within the political class, intolerance, bickering, political rascality, corruption and the failure to respect the rules of the game truncated the democratic experiment. Prolonged military rule and some civilian interregnum followed until the restoration of civil politics in May 1999. Thus, while

the executive branch had always survived under the unitary command of the military junta, the legislature was always sacked and the constitution suspended. For the entire period of military dictatorship, the legislature was more or less completely absent. What existed under the military as a caricature of the legislature hardly met the prevailing party system and the level of institutionalisation of political parties constituted a very important environment that determined the efficacy or otherwise of the legislature.

For two reasons, the effectiveness of the legislature in a presidential democracy has to be undergirded by a strong party system. In the first place, the presidential system, unlike the parliamentary system, has no place for "official" opposition. Again, while the legislature under the parliamentary system enjoys considerable leverage over the executive, it is not the case under the presidential system. It is expected, for example, in the presidential system that legislators will canvass the position of their parties and seek to bring their party philosophy and viewpoints to bear on the policy-making process. This is even more

so when the party in control of the executive equally controls the legislative assembly. Against this background, the organisation of political parties, the degree of internal coherence and the control they can exert on their members in the legislative assembly, become critical in determining the behaviour and performance of the legislators. Unfortunately, the political parties of the fourth republic are far from being political organisations of people sharing common visions and values, regarding the political community. The political parties exhibit neither internal coherence, nor clearly articulated programmes and manifestoes as the basis of actions by the dominant actors, including the legislators.

The legislature is as well faced with the problem of capacity, beginning with inexperience on the part of the legislators, in particular with the first National Assembly and the absence of legislative culture, as a result of prolonged military rule. Second is the problem of loss of staff with requisite skills and experience to both the executive branch and the private sector. This loss of qualified manpower capable of supporting legislative work becomes more pronounced in the quality of legislative/research staff available to the legislature. But this could also be explained in part, in terms of the relative under funding of the legislature, and, partly, as a result of the failure on the part of the legislators themselves to appreciate that the quality of legislative assistants and researchers they recruit has a direct implication for their performance as lawmakers. Added to these problems would be the inadequacy of facilities such as computers, fax machines and accommodation. As many of the members of the National Assembly have admitted, the problem of inadequacy of basic infrastructures undermines their efficacy in the task of law making.²⁵

The ability of the legislature, therefore, to provide countervailing power to the executive is a good measure of improved governance regime in a transitional democracy.

Central to presidential democracy is the doctrine of separation of powers by which the mutual veto embedded in each of the three organs of government is a guarantee against possible abuse by one domineering branch. Since the tendency in the presidential system is for the executive to dominate, the watchdog role of the parliament simply translates into checkmating the excesses of the executive branch. The experience of the United States is apposite here as exemplified in a disproportionate growth in executive authority and a wide accretion of powers in the presidency, beyond the original intention of the framers of the constitution.²⁶ The ability of the legislature, therefore, to provide countervailing power to the executive is a good measure of improved governance regime in a transitional democracy. Indeed, the supremacy of the legislature within the ambit of separation of

²⁵ The Guardian, March 17, 2003.

²⁶ Burns, et al, (1993). *Government by the People*. Prentice-Hall, Englewood Cliffs, New Jersey.

powers is reflected in its oversight functions. Although, it can be argued that the legislature in Nigeria has failed largely to express its supremacy in the order of government, through effective use of the "power of the purse", the constitution expressly recognises its oversight functions. Thus, re-affirming the absence of a watertight compartment, the power of the parliament does not stop with appropriation of funds. It has the additional responsibility of monitoring the executive in its implementation of public policies and ensuring that laws and policies are translated into concrete social delivery. The Nigerian legislature, being a developing one, is not unexpected to be faced with enormous challenges that are rooted in the long history of military dictatorship and its relative institutional and infrastructural underdevelopment. But the challenges are not in any way limited to the legislature at the national level. For instance, as Wasah had pointed out, the problems of infrastructure and personnel, as well as the absence of legislative culture and practice, alluded to in this assessment, are more acute in the states. The experience across the states in the federation is similar in many respects.²⁷

All these provide the basis for the conclusion that a critical challenge of democratic governance in the fourth republic is dealing with the legacy of constant military intervention, which has resulted in the stunted growth of the legislature, especially in its institutional and infrastructural aspects. The most immediate challenge it faces, given this history, therefore, is to evolve and develop a viable legislative culture and practice, including creatively engaging the executive without unnecessarily over heating the polity and developing a culture of mutual respect, dialogue and consensus building. Alongside this, is the urgent need for a well-articulated manpower development programme aimed at providing competent legislative staff for the legislature at the national and state levels. If we are to evolve an effective legislative structure, there is also a need for legislators to rise above party and sectional interests in favour of the defence of democracy and deepening its culture and practices. Although party constituency and sectional interests are legitimate pressures to which legislators are expected to respond, it would appear that the cause of nurturing and consolidating democracy is better served if the legislative assembly (as the peoples' representatives) allow public interests to take precedence. Besides, it must take the question of internal democracy seriously in the same manner in which it must put itself on the moral high ground by advancing the ideals of accountability and transparency in the conduct of its activities. Such moral high grounds have been sacrificed in the manner the members of the National Assembly have so far conducted their business. Allegations were rife that federal legislators used threats of impeachment as instruments of blackmail. Worse still, the manner in which senators, indicted by the Kuta Panel, were acquitted, as well as the manner in which members of the national parliament

27 Wasah. (2000). Low Capacity Impedes Law Making in the States' Legislative

handled the Anti-Corruption Act, led to massive reduction of public confidence in the legislature as an institution for furthering the development of democracy. With these shortcomings, notwithstanding, the way forward is to recognise the central role of the legislature as an institution for building a culture of democratic governance. There is need to build the capacity of the legislature in many areas to enhance its performance. This would include enhancing the capacity of the legislature in terms of the basic infrastructures, including the strengthening of its information technology base. There is need to also improve the quality of support staff of the legislature and its overall manpower requirements. But, it is the improved capacity of individual legislators and the legislative assembly as a whole (to improve understanding of the complex process of policy-making, including public participation in the process, and, in particular, of the budget process) that remains the most daunting challenge.

Finally, to improve the effectiveness and performance of the legislature, civil society and the media must change their current disposition to the law-making body. Civil societies need to improve on their skills and strategies of engaging the legislature, and of performing the role of watchdogs of the legislature. Permanent and creative engagements with the legislature in critical areas of policy formulation, especially budget, must be taken seriously by civic groups, if the legislature is to contribute positively to democratic governance. The role of the media cannot be discounted in this direction. It must rise above sectionalism and sensationalism in reporting the legislature, while providing the needed information to empower the civil society and the citizenry in the demand for a democratic order that is viable, enduring, and capable of making state institutions more effective, in addressing urgent national problems of economic decline, insecurity, ethno-religious and sectarian violence, as well as the reduction of poverty and improved material living conditions for the Nigerian people. Nigeria will be close this way to having not just the desired legislative structure, but an effective legislature.

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Enfeebled scales and dodgy blindfolds

A major ethos of constitutional democracy is the guarantee of justice or put differently, the attainment of justice. Democracy provides the citizen the opportunity to reclaim and enjoy his denied rights and liberties, by military dictatorships that pervaded the African political landscape for almost all of the last century. Notwithstanding the enthronement of constitutional democracy in Nigeria, justice and justice delivery in Nigeria have remained exceedingly difficult. Driven by the lust for power and wealth, judges, to the

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disappointment of the generality of the citizenry, have aligned themselves with the rich and powerful, to become a clog in the wheel of justice in the country. They defer and allow themselves to be controlled by government officials, party bigwigs and influential private citizens, with deep pockets and the ability to manipulate the judicial process to suit themselves. The few, who muster the integrity to resist undue influences, are crippled and prevented from efficiently dispensing justice by such environmental factors as inadequate facilities to work with, intimidation and harassment.

These problems (to close watchers of the judiciary in Nigeria) are both self-inflicted and influenced by such larger societal factors, as institutional and personnel problems, poor facilities, inadequate remuneration, funding and procedural problems, the institutional framework of the judiciary, having been constitutionally prescribed by the 1999 Constitution (as amended). Besides the structure and hierarchy of the courts, the Constitution also provides for institutional bodies to regulate the activities of the judiciaries and ensure the welfare of judicial officers. These bodies include the National Judicial Council (NJC), Federal Judicial Service Commission (FJSC), Judicial Service Commission of the Federal Capital Territory and State Judicial Service Commissions. The NJC is the primary organ, regulating and supervising the activities of judicial officers in Nigeria. Though highly held to perform that role, the flaws in its structure and set up, have continued to negatively affect the efficiency of the judiciary. Foremost of these is its headship by the Chief Justice of Nigeria (CJN) and membership, comprising mostly of serving judicial officers. The CJN, as a judicial officer subject to the supervision of the NJC and whose conduct could be scrutinised by this body, ought not to be its head. The crisis that engulfed the judiciary in 2011 from the differences between the CJN, Justice Dahiru Musdapher, and the President of the Court of Appeal (PCA), Justice Ayo Salami, further attested to this. Though the NJC was presided over by the Deputy Chairman for the period of this crisis, the influence of the CJN in the NJC and decisions thereof were not lost on the people, particularly as some of the members of the NJC owed their membership to him.²⁸ It is unideal for the membership of a body established to supervise the judiciary and judicial officers to be dominated by serving judicial officers, haven found that most often, it leads to conflict of interest amongst its members.

However, more than anything else today, most threatening to the sanctity of the judiciary as the bastion of justice in Nigeria is the problem of personnel. While there are good, intellectually sound and upright judicial officers of impeccable character and integrity in the country, equally, a sizeable percentage of them fall short of these as it, from time to time, reflects in the poor quality of judgments delivered by the various courts in Nigeria,

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as well as the growing problem of conflicting judgments and the attendant confusion it is having in the legal system.²⁹

This particular problem is believed to be occasioned by the process of appointment of judicial officers, particularly judges and very unfortunately the enthronement of mediocrity over merit, poor training of judicial officers, inadequate facilities to ensure constant updating of their knowledge and non-synchronisation of decided cases in law reports, making it difficult for judicial officers to easily access and decipher applicable and current legal jurisprudence on particular principles of law. Most insidious of the problems is still the issue of corruption among judicial officers. Like in all aspects of the country's life, it has eaten deep into the fabrics of the courts and is almost eroding public confidence in the Nigerian judiciary. Addressing the issue of corruption and lack of integrity amongst judicial officers in Nigeria at the Nigerian Institute of Advanced Legal Studies (NIALS) Conference in November 2011, the then Chief Justice of Nigeria, Justice Dahiru Musdapher, stated in his keynote address entitled: *The Nigerian Judiciary: Towards Reform of the Bastion of Constitutional Democracy*, that, "A poor Judge (in terms of integrity) is perhaps the most wasteful indulgence of the community. You can refuse to patronise a merchant, who does not carry good stock, but you have no recourse if you are hurled before a Judge, whose mental or moral goods are inferior. An honest... able and fearless Judge is the most valuable servant of democracy." At the same event, Uwaifo JSC argued: "A corrupt Judge is more harmful to the society than a man who runs amok with a dagger on a crowded street.

The latter can be restrained physically, but a corrupt Judge deliberately destroys the moral foundation of society and causes incalculable distress to individuals through abusing his office while still being referred to as 'honourable.'" Such are the grave consequences of corruption in the judiciary in Nigeria and beyond, and the toll is already being felt in miscarriage of justice and in unduly delayed justice. The appointment process of judicial officers is lacking the sufficient mechanisms to weed out persons of questionable character and integrity. The procedural set up of the courts as well is making it very difficult to obtain justice and quick resolution of disputes. Most of these procedural rules are in dire need of review to discard technicalities and permit substantive justice. The fact that many cases in Nigerian courts take years to be resolved does not speak well of the judicial system. Hiding under circumstances as these, some disgruntled litigants are known to have resorted to self-help in some cases.

The cliché, "justice delayed is justice denied" may be an old saying but is symptomatic of the situation in the Nigerian judicial system, where civil and criminal cases drag on for

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years, aided by highly technical procedural rules, which are capitalised upon by litigants to delay the resolution of cases before the courts, to make technicalities triumph over substantive justice. Also at the NIALS Conference in November 2011, Justice Dahiru Musdapher, while denouncing the practice, described it as amounting to observing table etiquettes during a meal and standing up with an empty stomach, which results in vain achievements. As if these are not enough, a critical appraisal of the administrative set up of the average Nigerian court registry today is a revelation of the negative impact the non-provision of the Information Technology (IT) is having on the Nigerian judiciary. It is greatly affecting the documentation of court processes, access to relevant files by judges and litigants, the same way the non-existence of a digital central database of decided authorities in Nigeria has become a major cause of conflicting decisions by different courts, as it is difficult for judges to have unimpeded access to decided authorities on similar cases. The manual nature of conducting searches in the various law reports of the different publishers in the country, is affecting the ease with which similar recent authorities can be accessed by judicial officers to decide cases before them. The manual documentation of files, and recording of cases in the long hand by judges in our court in this age is adversely affecting justice delivery and contributing to the delay in court trials.

The chairmanship and membership of the NJC should be dominated by retired judicial officers and complemented with notable persons of integrity from the bar and related

Time limits as has been variously suggested to enhance quick disposal of cases should be put in place between the filing and determination of criminal and civil cases; it could be made a constitutional provision as once propounded by former CJN, Justice Musdapher.

disciplines, to ensure an unbiased supervision of judicial activities by the NJC. There is need to practically re-orientate judicial officers on the need to eschew corruption and uphold integrity in the performance of their duties. The appointment process of judicial officers, judges in particular, needs to be reformed to ensure the appointment of only persons of proven integrity, forthrightness and character, just as the procedural rules of courts should be reviewed to encourage easy and expeditious disposal of cases before the courts. The procedure for recommendation of appointment of judicial officers by the NJC and FJSC or the Judicial Service Commissions of the states should be

more open to the public, as this lack of transparency often leads to appointment of judicial officers, with little or no integrity, credibility or intellectual capability. This is necessary if it is realised that these appointees are members of the society, who know their lifestyles and integrity or lack of it. The contribution of members of the public towards the procedure for their appointment could help to ensure that only creditable persons are given such position of high responsibility. Time limits as has been variously suggested to enhance quick disposal of cases should be put in place between the filing and de-

termination of criminal and civil cases; it could be made a constitutional provision as once propounded by former CJN, Justice Musdapher.

More than anything else, however, an enduring solution could be in the total reform of the various procedural rules of court by the head of the respective courts with new provisions that would make it easier to dispense cases timeously by cutting out unnecessary technical provisions, occasioning delays in trials to give meaning to the wise saying by a prominent jurist that “Law without justice is legitimisation of tyranny.” It is also suggested in this regard that Section 233(2) of the 1999 Constitution is amended to make it mandatory to obtain leave before appealing to the Supreme Court, and such leave is to be granted only on questions of significant importance or contribution to the legal jurisprudence, to disallow frivolous appeals on trite or firmly established principles of law with no reasonable ground for upturning such principles. It is believed that this will drastically bring down the number of appeals that get up to the Supreme Court and ensure a quicker dispensation of justice. In the 2010-2011 Legal Year alone, the Supreme Court disposed of 163 cases, consisting of 78 judgments and 85 motions. Even at that, about 1,149 civil appeals, 58 criminal appeals and 177 motions remained pending before it, implying that even if the apex court has a full constitutional complement of 21 Justices of the Supreme Court as provided, it will still take several years before it can effectively clear the backlog of cases, most of which are motions and frivolous appeals on reiterated principles of law.

An enduring solution could be in the total reform of the various procedural rules of court by the head of the respective courts with new provisions that would make it easier to dispense cases timeously by cutting out unnecessary technical provisions, occasioning delays in trials

Another important proposal, which has drawn considerable public attention and debate, is the suggestion to incorporate plea-bargaining as part of Nigeria’s criminal procedure jurisprudence for its benefits of quick dispensation of criminal cases and conviction of accused persons without the need for the long-haul of trial. It is, however, stoutly opposed by those, who feel it encourages offenders to escape the wrath of justice for their crimes, as many, including Justice Dahiru Musdapher, believe it was invented to provide soft landing to high profile criminals, who looted the treasury entrusted to them, arguing that it is an obstacle to the nation’s fight against corruption and should never again be mentioned in its jurisprudence.

The minimal sentences and sums recovered from convicted public officials under the plea bargain procedure, which in no way compared with the funds looted or the punishment deserved, does not help the argument for it even though it could aid quick disposition

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of cases. However, if the criminal justice system is to be effectively reformed for quick dispensation of justice as it is in developed jurisdictions such as the United Kingdom and United States of America with commendable outcomes in tackling crime and prosecution of offenders, the argument in favour of the adoption of plea bargain cannot be overlooked as it dispenses with the long delays of trials and save public funds which would otherwise be invested in such trials without any guarantee of a successful prosecution.

To bring our court system to the prevailing age and restore public confidence in them, there is need for constant training and re-training of judicial officers to update their knowledge, a re-appraisal of the appointment process of judicial officers to ensure that only persons of acceptable intellectual capability, character and integrity are appointed

To bring our court system to the prevailing age and restore public confidence in them, there is need for constant training and re-training of judicial officers to update their knowledge

to the bench just as persons skilled in specialised aspects of law such as commercial, admiralty, energy and other technical aspects should be specifically appointed to handle cases, arising from such areas of law to stem cases of putting square pegs in round holes and to enhance the quality of judicial decisions delivered on such matters. The upgrading of the facilities of Nigeria courts through the introduction of IT facilities to inter-connect the courts and allow for easy sharing of information and cross-searching of relevant materials and documents amongst them, as well as, the establishment of a digital central database of decided cases accessible by all the courts at the press of a button has become inescapable for effective

performance of the judiciary. This has to be complemented with mass training of court staff in IT communications and upgrading of their IT knowledge and skills to enable them effectively handle the IT facilities to be installed in the courts, being the life blood of the administrative workings of the court system. Flowing from this, is the need to ensure adequate infrastructural facilities for the various courts in the country as most of them operate in dilapidated buildings and most often lack basic stationaries to effectively function.

One more effort

After years of calls for the convocation of a National or Sovereign National Conference to determine the future of the country, following festering political crisis and cries of marginalisation from across the country's ethno-religious groups, making up the country, President Goodluck Jonathan on Monday, 7th October, 2013, raised a 13-member National Dialogue Advisory Committee with Senator Femi Okoruonmu as Chairman to prepare the ground for what eventually turned out a National Conference of delegates from all over the country and all spheres of the nation's life. The move sparked off praise as well as speculations over the sincerity of the president and the timing of the conference

less than a year from the next national elections, but President Jonathan was determined to forge ahead. After the inauguration, the committee toured round the zones to collate the views of Nigerians, socio-cultural groups, associations, organised labour, the academia and all strata of the society on the form, shape, format, content and structure of the proposed National Conference. As a follow up and in preparation of the Conference, the President named 492 people as delegates. The list was made up of 37 Elder statesmen, each from the 36 states and the Federal Capital Territory, including retired Military and Security Personnel from each of the Armed Forces, the Police, the State Security Services and the Nigeria Intelligence Agency; traditional rulers, two per zone and one from the FCT; retired Civil Servants, one from each of the geo-political zones and the FCT; NLC and TUC, whose nomination reflected the geo-political zones and gender balance; the organised Private sector with two nominations from NECA, MAN, NACCIMA, NESG; the media, professional bodies; women organisations; Youth Organisations and the physically challenged, among others.

The conference was formally inaugurated on Monday, 17th March 2014 with a charge that the delegates should put the interest of Nigeria above any other interest and they must be ready to re-launch Nigeria. They were urged to engage in intense introspection about the political and socio-economic challenges, confronting the country with the interest of Nigeria as one indivisible, stable and a united nation given as not negotiable. While the president tasked them on some no-go areas, particularly issues that could lead to the dismantling of Nigeria, he specifically charged them to address issues relating to form of government, structures of government, devolution of powers, revenue sharing, resource control, state creation, state police and fiscal federalism, indigene ship, gender equality and children's rights, amongst others, adding that as Nigerians, they must be open-minded and work to achieve what was best for the country. But the former Special Adviser to the President on National Assembly Matters, Senator Florence Ita-Giwa, did not mince words when she said, that most of the delegates were architect of Nigeria's problems. In her words: "It is hoped that delegates will remember that this is the time to correct past problems and mistakes; it is hoped that most delegates will note that this may be the last opportunity for them to help solve the problems of Nigeria, especially considering the age of some persons and against the backdrop that students of history have been reading about them since after Nigeria's Independence as being around the scene. Though they may still live for another 20 years, their shock absorbers will be very weak then to participate in an event of this kind. It is also hoped that some delegates will note that they have been recycled in many governments and they are still around. This is the time to help save Nigeria from its woes."³⁰

Originally billed to last three months, it was granted about one month extension, before

³⁰ Vanguard Newspaper, March 22, 2014 (National Conference: More questions than answers)

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concluding the committee sittings and plenary sessions. The conference eventually presented the final report to the President on Thursday, August 21, 2014. The stability of the conference while the sitting lasted was tested by some thorny national issues, amongst them: the Land Use Act, national security, resource control, the derivation principle etc. Nevertheless, the conference arrived at some far-reaching recommendations listed and examined below.

Creation of eighteen (18) new states: The conference recommended the creation of 18 new states, three per geo-political zone, and one new states for the South East to make the zone have equal number of states with the other zones except the North West which has seven. It also recommended that states willing to merge can do so based on certain conditions.

In the face of recent developments, which have shown that most of the current 36 states of the federation are unviable and wholly dependent on federal allocations for survival, this recommendation is completely out of place. The other leg of it, calling on interested states, willing to merge to do so is more acceptable. A federation of 54 or 55 states, (if the recommended 18 states and the additional one for the South east are created), will be too unwieldy and expensive to manage as many of them will not only be unable to stand on their own, but their creation could have a devastating effect on the peace and stability of the economy. A case has earlier been made to use zones as federating units to which the idea of collapsing the states aligns.

Resource control/derivation principle/fiscal Federalism: The Conference noted that assigning a percentage for the increase in derivation principle, and setting up Special Intervention Funds to address issues of reconstruction and rehabilitation of areas ravaged by insurgency and internal conflicts as well as solid minerals development, require some technical details and consideration. The Conference, therefore, recommends that Government should set up a Technical Committee to determine the appropriate percentage on the three issues and advise government accordingly.

This recommendation is vague and clearly shows the conference as dodging the issue. Considering the controversy that trailed it in the course of their deliberations, the position of the conference on the matter is understandable. How does the principle of derivation apply to issues of reconstruction and rehabilitation of area ravaged by insurgency and internal conflicts; the northern delegates had pushed that forward, and demanded a special fund for the purpose to counter the derivation principle demand by the mineral-producing areas, the oil-producing regions in particular.

Derivation is not an issue the nation can continue to put in the limbo anymore; it's a major

issue at the centre of the political crisis that has continued to beset the country. That the centre has become all that powerful, resulting in a do or die battle in the nation's national political contest for power, and the subordination of the other tiers of government to it, has to do with our reluctance to embrace fiscal federalism. Many had thought the national conference was an opportunity to take the country out of the current unitary system, but members have agreed on other minor areas while failing to address this very crucial and contentious item. This is not surprising as greed, rent-seeking and corruption have seriously damaged the nation's ability to reach a consensus on anything that has to do with how to share the national wealth. Only a radical political restructuring will solve this very serious challenge once and for all.

Public finance/revenue allocation: It was recommended that the sharing of the funds to the Federation Account among the three tiers of government should be done in the following manner: Federal Government – 42.5%, State Governments – 35% and Local Governments 22.5%, and that the percentage given to population and equality of states in the existing sharing formula be reduced, while that assigned to the Social Development sector be increased to a much higher percentage so as to ensure accelerated development of all parts of the country. This, if accepted, will be an improvement on the current 52% to the Federal Government, States, 26.72%, and Local Governments, 20.60%. However, it will still make the federal government too strong and attractive, and the states still largely dependent on the centre. Every region or state should exploit its resources and make remittances to the Federal Government in form of royalties. That way, the states will develop at their own paces and levels and there will be competitive development like we had it in the First Republic.

Forms of government: The conference recommended the Modified Presidential System, a home-made model of government that effectively combines the presidential and parliamentary systems of government. Under it, the president shall pick the vice president from the legislature, not more than 18 ministers from the six geo-political zones and not more than 30% of them from outside the Legislature. The conference hopes that the system will reduce the cost of governance by pruning the number of political appointees and using the staff of ministries where necessary. Much as the appointment of the vice president from the national assembly could improve the working relationship between the executive and legislative arm, it is not likely to bring down the cost of governance, since the overall number of ministers and other appointees to be made is not fixed but would still remain at the

The conference was silent on the constitutional provision, compelling representation of all the states of the federation in the federal cabinet, which is contributing in no small measure to the cost of governance in the country and the federal character policy.

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discretion of the president and governors. The presidential system is not known to have any role for the opposition as it promotes the politics of 'winner takes all', one of the reasons there is so much acrimony and rancour in our politics and by extension the do or die politics in the vogue here. What role will this recommendation provide the opposition? Besides, the conference was silent on the constitutional provision, compelling representation of all the states of the federation in the federal cabinet, which is contributing in no small measure to the cost of governance in the country and the federal character policy.

Legislature: The conference recommended that the current bi-cameral legislature be retained, but elected members of the legislative arms of all tiers of government are to serve on part-time basis. This for some time has been the popular demand. It will certainly be a welcome relief, particularly as it will put an end to the practice of those legislators who are perpetually absent at sittings but remain on the payroll of the legislature, getting full salaries and allowances. The recommendation will do more to place elected members on allowances only; this way the law-making bodies will attract only seasoned professionals of long-standing experiences and not life starters, who only go there as hustlers and not out of concern to contribute to national development.

Power sharing/rotation: The Conference recommended that presidential power should rotate between the North and the South and among the six geo-political zones while the governorship rotates among the three senatorial districts in the states.

Rotation does not promote merit and will not allow the best man for the job. For a political system that permits a term of four years for the presidency, and two terms of eight years, if the recommendation limits the tenure of a zone to four years, it will take the presidency 24 years to go round the six geo-political zones and 48 years to go through all the six zones if the zones are allowed two terms in office. In the states, it will take the governorship 12 years to go round the three senatorial areas for a term of four years in office and 24 years for two terms. Certainly, this will not allow us the use of our best brains, who might never have the opportunity to vie for any of the offices, on the ground that he or she is not qualified because it is not the turn of his zone in the case of the presidency and the senatorial districts in the case of the state governorship. Much as the idea is meant to promote unity, it is discriminatory and promotes mediocrity.

The Constitution should fix the tenure for Local Government Councils at three years. The National Conference recommends the scrapping of State Independent Electoral Commission, SIECs. This is a welcome recommendation, except that it will be wrong to scrap the state electoral commissions

Local government: Local Government will no longer be the third tier of government. The federal and states are now to be the only tiers of government. States can now create as many local governments as they want. The Joint State/Local Government Account is to be scrapped and in its place is to be established a State RMAFC with representatives of LG and a Chairman nominated by the Governor.

The Constitution should fix the tenure for Local Government Councils at three years. The National Conference recommends the scrapping of State Independent Electoral Commission, SIECs. This is a welcome recommendation, except that it will be wrong to scrap the state electoral commissions and make the Independent Electoral Commission to conduct elections into local government councils. It will be antithetical to the ideals of federalism, which the earlier recommendation of removing them as third tiers of government, has sought to uphold. It would be more appropriate to find a way of strengthening the operations of the state electoral commissions. In the spirit of true federalism, state electoral commissions should be allowed to exist in the mode they were in the First Republic to conduct council and governorship elections. While membership of the commissions may be constituted by the State Governors subject to the approval of the State House of Assembly, the Chairman of the Federal Electoral Commission should double as the chairman of the state electoral commission. It is a *fait accompli* that by this recommendation, the councils as listed in the 1999 constitution should be delisted.

Immunity clause: The immunity clause should be removed if the offences attract criminal charges to encourage accountability by those managing the economy. It is welcome as it will not only stem corruption in office by those who hide under that provision to perpetuate all sorts of financial crimes, it will now permit their arrest and prosecution while still in office.

Independent candidacy: It was recommended that every Nigerian who meets the specified condition in the Electoral Act should be free to contest elections as an independent candidate. It is also a step in the right direction. Apart from the fact that it will give room for alternative candidates outside party-sponsored candidates, the practise of substituting candidates after primaries will be reduced. It will generally enrich the nation's political contest for offices.

Governance: The conference recommended the creation of the office of the Accountant General (Director-General) of the Federation as a distinct and separate office from the Office of the Accountant General of the Federal Government. The Office of the Accountant General of the Federation shall oversee the accruals of revenue into and disbursement from the Federation Account as and when due; and shall administer these funds as required by the Constitution, while the office of the Accountant General of the Federal

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Government shall oversee the accounts of the Federal Government. This is to enhance the management of the federation account and to separate it from the federal government account, as state governors have consistently raised issues of non-transparency in the management of the federation account.

Anti-corruption: Also recommended is the creation of special courts to handle corruption cases in the light of undue prolongation in the trials and prosecution of corruption cases by regular courts. A non-conviction-based asset forfeiture law should be enacted with broad provisions to deal with all issues of proceeds of crimes by the anti-graft agencies and the courts.

Land Tenure Act: The Land Tenure Act should remain in the Constitution but be amended to take care of its related concerns, particularly on compensation in Section 29 (4) of the Act to read "land owners should determine the price and value of their land based on open market value".

National anthem: The old National Anthem is to be re-introduced in place of the existing one.

Religion: The Conference recommended that there will be no government sponsorship of Christian and Muslim pilgrimages to the holy lands. This will stem undue wastage on

The conference seems to have shied away from the problems of Nigeria, which are mainly the weak federating units, the overbearing and powerful centre, the seemingly unitary system being practiced in the name of federalism...

sponsorship of pilgrims to the holy lands annually by government. It is also bad enough when it is realised that many of those being sponsored by government are largely members of the ruling class who can afford to sponsor themselves for these holy trips annually. It also resolved that churches and mosques should begin to pay tax to government. The recommendation that religious houses should be made to pay tax, stems from the activities of many of them lately. This issue is, however, a very controversial one.

The recommendations of the conference may not see the light of day, because contrary to expectations, they will not be put to a referendum, but will be placed before the National Assembly who may not be enthusiastic about deliberating and passing them into law, particularly as the recommendation of making membership of the legislature part-time will further make the recommendations unappealing to them. The conference was not given powers to adopt a new constitution that will be submitted to the people at a referendum for approval. Besides, the conference seems to have shied away from the problems of Nigeria, which are mainly the weak federating units, the overbearing and

powerful centre, the seemingly unitary system being practiced in the name of federalism (the feeding-bottle federalism) etc. Rather, the conference seems to have compounded the problem by recommending the creation of 18 (or is it 19?) more states despite the complaint that the existing 36 states are too weak, over dependent on the centre and are not viable. It appears, therefore, that the search for succour continues for Nigeria and Nigerians. From the period of colonial rule to date, the story of Nigeria remains one of a search for a unifying constitutional and political structure, which will galvanise the citizens into effective development.

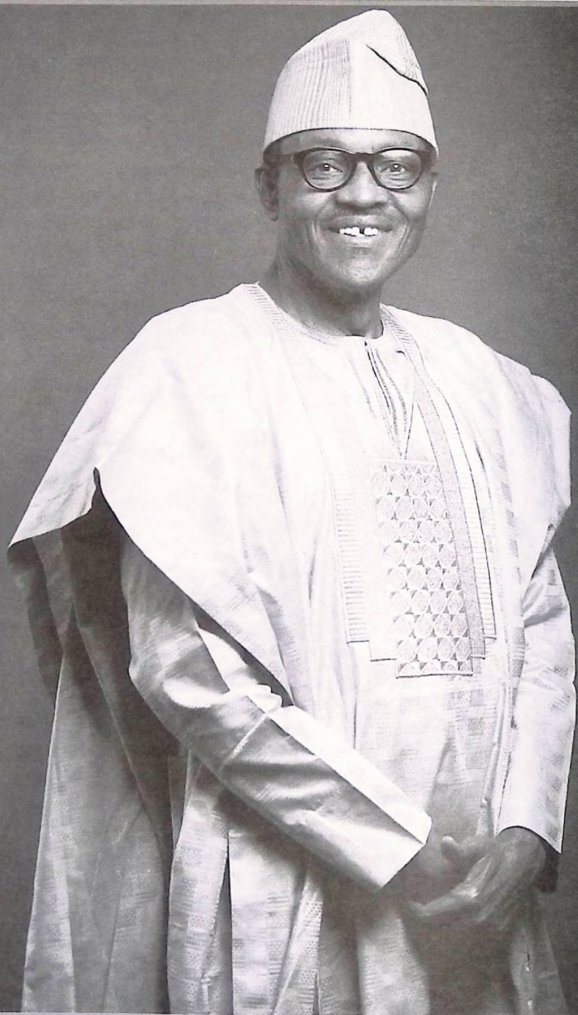
The checkered history of Nigeria's democratic transition and economic development have imposed on today's leaders, the hard task of having to address these issues to improve the standard of governance and unleash the dividends of democracy on the people. There is a firm belief that the current structure cannot deliver the goods as the states are weak and cannot progress. Two major related problems very often challenge the governors' performance, and these include unequal availability of resources and the over dependence of many states on the purse of an over-centralised federal government. Other challenges to the provision of good governance have been further articulated to include; over centralisation of the Nigerian polity, lack of economic diversification, growing religious divide, insecurity, arising from civil strife and its new dimension, terrorism. The abject poverty in the land in the midst of plenty, and the need to utilise the natural and human resources that the country has been blessed with urgently demand that a workable structure is evolved to liberate the people and propel the country to the league of its peers where it rightfully belongs.

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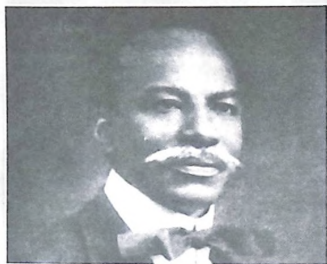


PRESIDENT MUHAMMADU BUHARI (2015 - TILL DATE)



SIR LORD FREDRICK LUGARD

Nigerian Nationalist Leaders



HERBERT MACAULAY (1864-1946)



DR. NNAMDI AZIKWE (1904-1996)



CHIEF OBAFEMI AWOLOWO (1909-1987)



ALHAJI TAFAWA BALEWA (1912-1966)



SIR AHMADU-BELLO (1909-1966)



CHIEF ANTHONY ENAHORO (1923-2010)

Comparator Nationalists



DR. KWAME NKROMAH
Ghana (1857-1966)

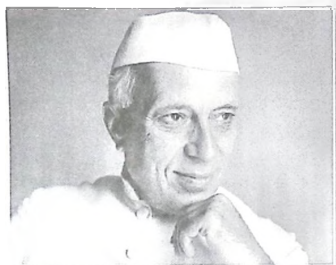


DR. NELSON MANDELA
First Black President of South Africa (1994-1999)



LEE KUAN YEW
First Prime Minister of Singapore (1959-1990)

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JAWAHARLAL NEHRU
The first Prime Minister of India (1947-1964)



TUNKU ABDUL RAHMAN
The first Prime Minister of Malaysia (1957-1970)



PRESIDEN SUKARNO
The first President of Indonesia (1901-1970)



PRUDENTE DE MORAIS
The first civilian President of Brazil (1894-1898)



DR. NNAMDI AZIKIWE
President (1960-1966)



SIR ABUBAKAR TAFAWA BALEWA
Prime Minister (1960-1966)



ALHAJI SHEHU SHAGARI (1979-1983)



CHIEF ERNEST SHONEKAN (1993)



CHIEF OLUSEGUN OBASANJO (1999-2007)



ALHAJI UMARU MUSA YARADUA (2007-2010)



PRES. GOODLUCK JONATHAN (2010-2015)



PRES. MUHAMMADU BUHARI (2015-DATE)

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GEN. AGUIYI IRONSI (1966)



GEN. MUHAMMADU BUHARI (1984-85)



GEN. YAKUBU GOWON (1966-1975)



GEN. IBRAHIM BABANGIDA (1985-1993)



GEN. MURTALA MUHAMMED (1975-1976)



GEN. SANI ABACHA (1993-1998)



GEN. OLUSEGUN OBASANJO (1976-1979)



GEN. ABDUSALAM ABUBAKAR (1998-1999)



DR. NGOZI OKONJO-IWEALA
Finance Minister (2003-2006) and Coordinating Minister for the Economy
(2011-2015)



DR KALU IDIKA KALU
Finance Minister (1985-1993)



DR. S.P. CHU OKONGWU
Finance Minister. (1986-1990)



CHIEF OLU FALAE
Secretary to the Federal
Government (1985-1990) and
Finance Minister (1990-93)

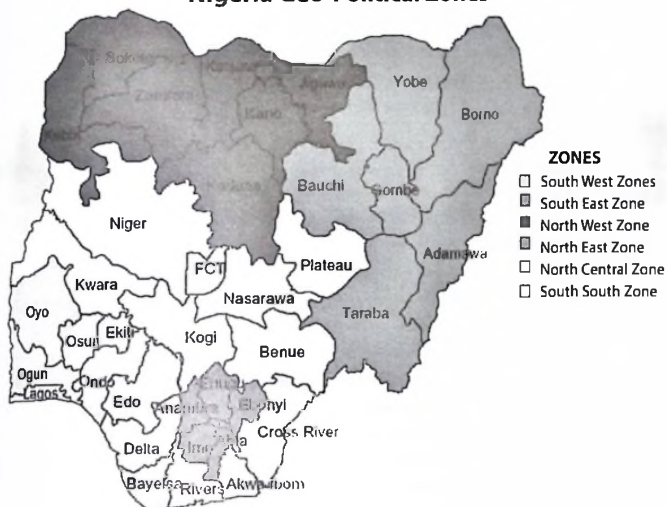


OLUSEGUN AGANGA
Finance Minister (2010-2011)

Map of Nigeria Showing the Old Four Regions



Nigeria Geo-Political Zones



CHAPTER NINE

A deadly venom

The problem of corruption, it has turned out for all to see, is a fact of the failure of man to establish values and nourish them through application.

- Prince Tony Momoh

- An endemic challenge
- Plundering the national wealth
- Kleptocratic guardians
- The stubborn cankerworm
- A National moral breakdown
- Whatever you sow
- Guarding the national treasury
- The salt of the earth
- Action speaks louder than words

An endemic challenge

The concept of human development has been previously expounded at length in the second chapter to give us a proper perspective on the foundational requirements to the creation of a successful and flourishing nation. It was explained that public expenditure management that does not share a nation's resources with fairness and equity, will only create a few rich with the majority left poor. Corruption significantly contributes to this inequity in sharing the nation's resources, thereby leading to extreme poverty, as 52% of Nigerians live on less

Corruption was not invented by, nor is it peculiar to Nigerians. On the contrary, it is a global phenomenon with deep historical roots

than \$1.25 (N200) a day. The country's education and healthcare at all levels, have deteriorated below world average as a result of the greed and corruption of some elites. It has also been shown very clearly how the basic requirements of institutions, infrastructure, and rule of law, education and healthcare have all but collapsed. Therefore, if the deprivation and lack of these basic human values could be docketed as morbid killer diseases, then the issue of corruption is more than a disease. It is a lethal virus! It is a toxic sting that runs through all levels and sectors of both private and public ministries. This notion was succinctly put by

Ejovi Austine et al in "Corruption in Nigeria: A Historical Perspective", where they described corruption in the country as a kind of social virus which is a hybrid of traits derived from and nurtured in the indigenous Nigerian context. They see corruption as a form of anti-social behaviour by persons or social groups, which confers unjust or fraudulent benefits on its perpetrators, and is likely to subvert or diminish the capacity of legitimate authorities to provide fully for the material and spiritual well-being of all members of society in a just and equitable manner. According to them: "Corruption was not invented by, nor is it peculiar to Nigerians. On the contrary, it is a global phenomenon with deep historical roots, although it manifests itself with significant similarities and differences in different societies, depending on the particular system of power distribution and the legal and moral norms operating therein; and corruption, like all social phenomenon, is intelligible only in its total social context: its peculiar form, dynamics and degree of social and cultural acceptability or tolerance being critically related to the dominant mode of poverty distribution, power configuration; and the underpinning moral and ethical values of operation in a given society"¹. It goes without saying, therefore, that corruption is everywhere. These words of Anup Shuah explain very succinctly how widespread the problem at hand is. He had given examples of the US government, accused of outsourcing many contracts without an open bid process.

"An analysis by *The Times*", Shuah continued, "found that more than half of their outsourcing contracts are not open to competition. Another example he highlighted, is Italy, where former Italian Prime Minister, Silvio Berlusconi, and some of his close associates were held on trial for various crimes and corruption cases. There was the oil for food scandal in the UN and even at the World Bank. It was global headlines when the then World Bank President, Paul Wolfowitz, was forced to resign after it was revealed that he had moved his girlfriend to a new government post with an extremely high salary without review by its ethics committee"². While corruption is a feature of all societies to varying degrees, it is a particular concern for developing countries because it undermines economic growth, discourages foreign investment and reduces the resources available for infrastructure, public services and anti-poverty programmes. As noted by Johnston, it may also undermine political institutions by weakening the legitimacy and accountability of governments. Corruption also reduces the effectiveness of aid funded development projects and weakens public support for development assistance in donor countries. In short, it is inimical to sustainable development, poverty reduction and good governance. Corruption not only affects poor people most directly, through the misallocation of public resources (including those derived from foreign aid) and routine exactions on the part of corrupt

1 Ejovi Austine, Mgbonyebi Voke Charles & Akpokighe Okiemute Raymond. (2013) Corruption in Nigeria: A Historical Perspective. The International Institute for Science, Technology and Education (IISTE)

2 <http://www.globalissues.org/article/590/>

corruption#Corruptioneverywherericlandpoorcountriesinternationalinstitutions

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local officials, but also keeps poor countries from becoming rich.³

The term corruption as experienced in Nigeria on a daily basis covers a broad range of human actions. Corruption is defined as the abuse of public office for private gain⁴. This happens when an official accepts, solicits, or extorts a bribe. Another instance is when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit through patronage, nepotism, theft of state assets, or the diversion of state revenues. Bribes are one of the main features of corruption. They can be used by private parties to "buy" many things provided by central or local governments, or officials may seek bribes in supplying those things, some of which are listed below:

- **Government contracts:** Bribes can influence the government's choice of firms to supply goods, services, and works, as well as the terms of their contracts. Firms may bribe to win a contract or to ensure that contractual breaches are tolerated.
- **Government benefits:** Bribes can influence the allocation of government benefits, whether monetary benefits (such as subsidies to enterprises or individuals, access to pensions or unemployment insurance) or in-kind benefits (such as access to certain schools, medical care, or stakes in enterprises being privatised).
- **Licences:** Bribes may be demanded or offered for the issuance of a licence that conveys an exclusive right, such as a land development concession or the exploitation of a natural resource. Sometimes politicians and bureaucrats deliberately put in place policies that create control rights which they profit from by selling.
- **Time:** Bribes may be offered to speed up the government's granting of permission to carry out legal activities, such as company registration or construction permits. Bribes can also be extorted by the threat of inaction or delay.
- **Legal outcomes:** Bribes can change the outcome of the legal process as it applies to private parties, by inducing the government either to ignore illegal activities (such as drug-dealing or pollution) or to favour one party over another in court cases or other legal proceedings.

3 Michael Johnston. (1997) What Can Be Done about Entrenched Corruption? Paper presented at the Annual World Bank Conference on Development Economics, Washington, D.C

4 World Bank Report

The government benefits derived using bribes vary by type and size. Contracts and other benefits can be enormous (grand or wholesale corruption) or very small (petty or retail corruption), and the impact of misinterpretation of laws can be dramatic or minor. Grand corruption is often associated with international business transactions and usually involves politicians as well as bureaucrats. Petty corruption is pervasive throughout the Nigerian public sector, as firms and individuals regularly experience it when they seek a licence or a service from government. The bribes may be retained by individual recipients or pooled in an elaborate sharing arrangement. The sums involved in individual grand corruption cases may make newspaper headlines around the world and likewise but the aggregate costs of petty corruption, in terms of both money and economic distortions, may be extraordinary.

Grand corruption is often associated with international business transactions and usually involves politicians as well as bureaucrats.

Theft of state assets by officials charged with their stewardship is also a common form of corruption in Nigeria through fraudulent asset stripping in the name of privatisation. At the other end of the scale is petty theft of items such as office equipment, stationery, vehicles, and fuel. The perpetrators of petty theft are usually middle and lower level officials, compensating, in some cases, for inadequate salaries. The theft of government financial resources is another form of corruption. Officials may pocket tax revenues or fees (often with the collusion of the payer, in effect combining theft with bribery), steal cash from treasuries, extend advances to themselves that are never repaid, or fabricate payrolls for fictitious "ghost" workers -- a pattern well documented in the reports of audit authorities across the country. In such cases, financial control systems typically have broken down or are neglected by managers.

Political corruption has particularly damaging effects on the allocation of resources because it will produce an allotment that will be different from the one that would have been arrived at through a corruption free process.

Political and bureaucratic corruption occurs when political decision-makers independently, or in collusion with corrupt officials, divert public resources in a way that will reduce the welfare of society or will be contrary to public interest. Political corruption has particularly damaging effects on the allocation of resources because it will produce an allotment that will be different from the one that would have been arrived at through a corruption-free process. Political corruption will divert resources from the functions to which a corruption-free legislative decision-making body would have allocated a given amount of resources, based on its interpretation of public needs and priorities. The reason for this could be a quest for political gain by building roads or bridges in selected

states, misguided construction projects for political prestige purposes or simply because public works provide a fertile ground for obtaining substantial monetary rewards from privileged contractors, who in turn, will not have to submit to rigorous bidding processes to win contracts.

As a result of political corruption, the budget may end up being larger than macroeconomic considerations and what a realistic fiscal policy would dictate, requiring more borrowed resources to finance a larger deficit and imposing increased interest charges in the years to come. Fraud is another form that involves some kind of trickery, swindle and deceit, counterfeiting, racketeering, smuggling and forgery. Embezzlement can be seen as a corrupt practice of stealing from public resources by public officials. It is when an official of the state steals from the public institution in which he or she is employed. Extortion likewise is money and other resources extracted by the use of coercion, violence, threats or force. Favouritism is a mechanism of power abuse, implying a highly biased distribution of state resources. However, many see this as a natural human proclivity to favour friends, family, and anybody close and trusted. Nepotism also is a special sort of favouritism in which a public office holder prefers his/her kinfolk and family members. Nepotism occurs when one is exempted from the application of certain laws or regulations or given undue preference in the allocation of scarce resources. Fraud and bribery can and do take place in the private sector, often with costly results. When corruption is systemic in the public sector, as it has become in Nigeria, firms that do business with government agencies can hardly escape participating in bribery⁵.

On another level, corruption may be intrinsic to the way power is exercised and may be impossible to reduce through law-making alone. In the extreme case, state institutions may be infiltrated by criminal elements and turned into instruments of individual enrichment.

**Corruption
defeats value
for money,
accountability
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activities.**

Political and bureaucratic corruption in the public sector is paramount and is used to subvert not only the means but also the ends of public sector activities. According to Susan Rose Ackerman, whenever an agent is given discretionary authority, corruption provides a way for the objectives of the higher authority to be undermined⁶. This is why corruption that subverts the ends of public sector activities has an effect far more severe and damaging than the personal enrichment

of unscrupulous officials. Corruption defeats value for money, accountability and transparency in public sector activities. Electoral corruption, which involves buying of votes with money, promises of official favours, coercion, intimidation, and interference with

5 <http://www1.worldbank.org/publicsector/anticorrupt/corruptn/corrptn.pdf>

6 Susan – Rose Ackerman. (2008) *Corruption, A study in Political Economy* Academic Press

freedom of election is common practice in Nigeria. Votes are bought, people are killed or maimed in the name of election, losers end up as the winners, and votes turn up in areas where ballots were not cast.

The causes of corruption are myriad and are always contextual, rooted in a country's policies, bureaucratic traditions, political development, and social history. In the main, corruption tends to flourish when institutions are weak and government policies generate economic rents. The motivation of public sector employees to work productively and maintain modesty may be undermined by many factors, including low and declining civil service salaries and promotion not based on merit. The motivation to remain honest may be further weakened if senior officials and political leaders use public office for private gain or if those who resist corruption lack protection. The public service may have long been dominated by patron-client relationships, in which the sharing of bribes and favours has become entrenched. Where pay levels are low, there may be an informal understanding that staff will find their own ways to supplement inadequate pay. The opportunity for corruption is a function of the size of the rents under a public official's control, the discretion that an official has in allocating those rents, and the accountability that the official faces for his or her decisions.⁷ Monopoly rents can be large in highly regulated economies and, as noted above, corruption breeds demand for more regulation. Accountability is also typically weak in these settings.

The causes of corruption are myriad and are always contextual, rooted in a country's policies, bureaucratic traditions, political development, and social history.

The fundamental factors that engender corrupt practices in less developed nations, particularly Nigeria include, the great inequality in the distribution of wealth; the use of political office as the primary means of gaining access to wealth; extensively discounted value system, acquisitive tendency; the absence of a strong sense of national community and the weakness of social and governmental enforcement mechanism. Most significantly, the obsession with materialism, compulsion for a shortcut to affluence, glorification, and approbation (of ill-gotten wealth) by the general public and inability to entertain delayed gratification are among the reasons for the persistence of corruption in Nigeria. As a matter of fact, the Nigerian society tends to over emphasise individual goal attainment at the expense of the legitimate means of achieving these set goals. In Nigeria, material acquisition has become the ulti-

In Nigeria, material acquisition has become the ultimate goal and the society does not appear to be concerned with how one "makes" it. All that is important is that one has "arrived".

⁷ R Klitgaard. (1988). Controlling Corruption. University of California Press, Berkeley

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mate goal and the society does not appear to be concerned with how one "makes" it. All that is important is that one has "arrived". Without doubt, corruption has permeated the Nigerian society and in the words of Achebe, "anyone who can say that corruption in Nigeria has not yet been alarming is either a fool, a crook or else does not live in this country. The situation has become so bad to the extent that as far back as 1993, keeping an average Nigerian from being corrupt is like keeping a goat from eating yam"⁸. It is not an exaggeration of the tragic events of the country since Independence, to say that all efforts to establish a just and efficient administration have been frustrated by corruption. The evil exists in every facet of the society. You give bribe to get your child into a school, you pay to secure a job and you also continue to pay in some cases to retain it. You pay 10% of every contract obtained, you "tip" the tax officer to avoid paying taxes, you pay the hospital doctor and nurse to get proper attention, and you pay the policeman to avoid arrest; the catalogue of shame continues, growing and festering alike – a killer disease. The prevalence of these activities in various aspects of lives has tremendous adverse effects on the quality of life in the country, living standards and national psyche. Corruption brings a nation no good. The resources meant for water supply, roads, education, health-care and other basic and social services that are captured and stolen by a handful of Nigerians through corrupt acts stultify economic and social development hence the creeping poverty all over the place.

Corruption has a long history in Nigeria and perhaps took root at the time that colonial rule was at its peak. Classical colonial rule that lasted until the end of the Second World War was essentially the unrestrained autocratic and authoritarian rule of a small band of British colonial officials aided and abetted by their compatriots and the European Christian missions and monopoly trading firms operating in Nigeria. This international bourgeoisie of usurpers of the Nigerian people's sovereign power and authority presided over a fraudulent and corruption-accumulation system, which generated surpluses for shipment to the metropolis from Nigerian peasant farmers and other petty producers via discriminating terms of trade. Ultimately, the governments that were nurtured by this British rule learnt quickly. For example, government officials of Western Nigeria allegedly enriched themselves and their party fabulously, at the expense of the accumulated funds of the Cocoa Marketing Board, (a property of the whole people of western Nigeria). In effect, therefore, the succession of the Nigerian political elite at Independence to the sovereign political authority meant that they could now attempt to solve their central problem of dearth of private capital by broadening their accumulative base through exploiting maximally the public wealth of the state which was previously unavailable to them. They were thus able to diversify their activities into new, often dubious and fraudulent forms of primitive private accumulation at public expense. These forms included the

8 Chinua Achebe. (1988). *The Trouble with Nigeria* Enugu: Forth Dimension Publishers

fraudulent award of unsecured government loans, produce buying and import-licences to their cronies, the inflation of government contract values (and the consequential enlargement of "kickbacks" to themselves). It also involved the straight forward looting of the treasury by its major political groupings that dominated the politics of the first Republic to monopolise, or at least have the lion's share of the loot from this systematic plundering of the wealth of the nation. These were major factors in intensifying and embittering the contest for political power along ethno-regional lines – a process whose high points were the Action Groups Crisis (1962), Census Crisis (1962 -1963), Federal Election Crisis (1965). These made the country more or less ungovernable and culminated in the Kaduna Nzeogwu military coup d'état of January 1966, and the tragic and disastrous intrusion of the Nigerian Armed Forces into the political life of the country.

The immediate post-civil war period coincided with the era of petroleum boom when Nigeria's petroleum production grew phenomenally, and the revenue from petroleum sales grew even more dramatically, especially after the Yom Kippur war of 1973, when there was a four-fold increase in international petroleum prices. This was the time when the Nigerian treasury was so awash with petrol-dollars that the then Governor of the Central Bank declared publicly that money was not Nigeria's problem, but how to spend it. An important factor in the Gowon regime, and in all subsequent military regimes, attaining its apogee in the Babangida-Abacha administration, was the total lack of budgetary discipline and financial accountability. For instance, there was no year in Gowon's nine years of dictatorship when the ministry of defence, to be precise the armed forces, did not overshoot its approved estimates of expenditure by several million pounds sterling or naira, without going through the inconvenient process of passing a supplementary appropriation decree through the executive council or supreme military council. The ministry of defence with the connivance, if not the active encouragement of the government, also consistently ignored the Auditor-General's queries, concerning these vast unauthorised and illegal expenditures.

From the foregoing, it would seem that the phenomenon of corruption attained a distinct and higher stage of expansion during the nine years of Gowon's administration. For one thing, the government of the first republic had to observe a minimum level of formal accountability to their elected legislators and the larger public, the electorate in particular, if they hoped to rig the next election successfully, as they usually did, with a modicum of credibility. This meant that they had to at least pay attention to the institutional arrangements for ensuring accountability, notably: (a) Keeping strictly to the provision of the budget and raising a supplementary appropriation bill in the legislature before overspending the original budgetary appropriations. (b) Passing all government accounts of expenditure through the sometimes hostile scrutiny, of the public account committee of the legislature. (c) Observing as a matter of public policy, the fundamental civil right

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to freedom of expression, including press freedom, on any act or policy of government including the way and manner in which the government managed or mismanaged the wealth of the nation. By freeing the rulers from the restraints imposed on them under the principle of accountability, military rule transformed itself, as it did in many Latin American countries in the 1960s and subsequently, into "kleptocracy" or what Stanislaw Andreski (1966) termed "institutionalised robbery" of the state by its very custodians". This is characterised by the ruthless and heavy financial exactions of the police from the ordinary man, the racketeering surrounding the collection of customs duties, the fraud appertaining to the award of government contract and licences of various kinds, the fraudulent transactions involved in government sales and purchases and, of course, "the straight forward transfer of funds from state treasury to the private accounts of the principal members of the ruling clique".

In view of the ramified nature of corruption and its great profitability to the members of the ruling cabal, it was hardly surprising that from 1973-1975, corruption was the single most significant issue on which the Gowon administration became seriously embattled with the Nigerian public. It was also hardly surprising that Gowon and his cronies reneged in 1974 on their promise made in 1970, to hand over power to an elected civilian government by 1976, declaring that 1976 was "no longer realistic". In effect, this declaration by Gowon sealed the fate of his regime and provoked the Murtala Mohammed-Obasanjo palace coup against him on 29th July, 1975 on the grounds of the unacceptable level of corruption in the government and the grave dishonour done to the armed forces by Gowon's setting aside of the 1976 handing over date.

Soon after October 1979, following the handing over of power to the civilian government of Shehu Shagari, many of the generals retired into multi-million naira farms, industries, commercial enterprises and real estate businesses at home and abroad. Nobody has been able to explain satisfactorily how the generation of army officers - many of whom served for 20 years or less - acquired such gargantuan wealth. As a result of this squandermania of epic proportions, which coincided with a sharp decline in Nigeria's oil revenue from 1981, the government of the second republic found the somewhat reduced national income inadequate for their own private accumulative project. Consequently, they borrowed a leaf from their immediate past predecessor, the Obasanjo government and proceeded to boost the external debt stock of Nigeria from \$6.8 billion in 1979 to about \$15 billion. The Buhari regime which toppled the Shagari regime was itself toppled on 27th August, 1985 in a palace coup masterminded by Babangida. The Babangida coup was received with marked indifference and the regime was cold-shouldered by the public when it announced itself on 27th August, 1985, in spite of the wide spread disappointment with the Buhari regime. The main distinguishing feature of corruption in the Babangida's regime was the pervasive culture of impunity. Given the history of the deepening vice of corruption in the

nation, it is clear that what it currently faces has been a lingering stronghold shrouding its ugly head around the nation. Unfortunately, the belief that a democratic government and representative head would rid it of this crippling conundrum has been a mirage. For about a decade of civilian governance now, the same high profile level of corruption has been experienced and alarming rate of scandals in top echelon of government are regularly exposed. According to Michael Ogbuide, if corruption in the 1990s was endemic, corruption since the return of democracy in 1999 has been legendary.⁹ This fraudulent culture has resulted, over time, in the pervasive and phenomena environment of Nigerian rulers (both civilian and military) emptying the national treasury and leaving the country in indebtedness almost to the point of bankruptcy, hence the critical dearth of resources for investment in the social, economic and overall cultural development of the masses. Nigeria is therefore, in a paradoxical situation in which the scandalous (almost legendary), wealth of the ruling class members exists to mock as it were, the unspeakable mass poverty, misery and degradation of the Nigerian people.

Plundering the national wealth

Everyone talks about corruption especially in Nigeria. From the student to the civil servant, the private employee and the leaders. It is spoken about everywhere – at every small forum and gathering of people. In churches, mosques, universities, offices, the media and of course the ever crowded newspaper stands, Nigerians are out to talk, deliberate and castigate the government over embezzlement cases, fraud or the syphoning of public funds. Some, almost fisting and tearing at opposing voices in the process of these arguments. Sadly, the more people keep running their mouths and speaking against this vice, the more it seems to be spreading fast. All over the media, undaunted men and women, top politicians, ministers and leaders from the lowest to the highest echelon of government, day in, day out are involved in shocking financial scandals. These scandals are mostly not very light ones and this is why the citizens find it very difficult and almost impossible to ignore them. Massive amount of funds are bundled away everyday right before the eyes of the people. And all these in the face of mass hunger!

Massive amount of funds are bundled away everyday right before the eyes of the people. And all these in the face of mass hunger!

Though this is manifested in bits and pieces, corruption is even better assessed and measured on the international scene. The Corruption Perception Index (CPI) by Transparency International (TI), “is based on expert opinion. The index measures the perceived levels of public sector corruption in countries worldwide, scoring them from 0 (highly

⁹ Michael M. Ogbuide Political Leadership and Corruption In Nigeria Since 1960: A Socio- economic Analysis

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corrupt) to 100 (very clean). Covering 177 countries, the 2013 index paints a worrying picture. While a handful perform well, not one single country gets a perfect score. More than two-thirds score less than 50.¹⁰ The CPI is currently one of the most comprehensive reports on corruption across countries. It mirrors the different levels of pervasiveness and frequency of corruption across institutions in a country. But while the results of corruption are clear, the real extent of the problem is harder to pin down. Corruption is shadowy and secretive by nature. We all know corruption is a problem, but how bad is it, and what can be done? This is where the Corruption Perceptions Index comes in¹¹. The ranking by the CPI, which dates as far back as 1995, is based on a number of sources. These sources help to provide a robust, detailed and transparent analysis of the depth and degree of corruption in each country. With about 85 countries in 1998, the number of assessed countries has grown to 177 in 2013. For a country/ territory to be included in the ranking, it must be included in a minimum of three of the CPI's data sources. If a country is not featured in the ranking, then this is solely due to insufficient survey information and not an indication that corruption does not exist in the country. The 2013 CPI draws on data sources from independent institutions, specialising in governance and business climate analysis. The sources of information used for the 2013 CPI are based on data gathered in the past 24 months. The CPI includes sources that provide a score for a set of countries/territories and that measure perceptions of corruption in the public sector.

Thirteen data sources were used to construct the Corruption Perceptions Index 2013:

- African Development Bank Governance Ratings, 2012
- Bertelsmann Foundation Sustainable Governance Indicators, 2014
- Bertelsmann Foundation Transformation Index, 2014
- Economist Intelligence Unit Country Risk Ratings
- Freedom House Nations in Transit, 2013
- Global Insight Country Risk Ratings
- IMD World Competitiveness Yearbook, 2013
- Political and Economic Risk Consultancy Asian Intelligence, 2013
- Political Risk Services International Country Risk Guide
- Transparency International Bribe Payers Survey, 2011
- World Bank - Country Policy and Institutional Assessment, 2012
- World Economic Forum Executive Opinion Survey (EOS), 2013
- World Justice Project Rule of Law Index, 2013

Majorly because the CPI is only based on perceptions of residents and expatriates gathered through polls, the CPI has been posed with such inquiries like the definite standards of

10 2013 Corruption Perception Index Brochure

11 Transparency International 1999 Corruption Perceptions Index

calculations, the definition of the degree of corruption, the extent to which the nature of corruption differs across countries, the difficulty in assessment due to varying engagements in corruption by institutions within one country, the interpretation of perceptions, amongst others. In the end, Transparency International opines that:

“Corruption generally comprises illegal activities, which are deliberately hidden and only come to light through scandals, investigations or prosecutions. There is no meaningful way to assess absolute levels of corruption in countries or territories on the basis of hard empirical data. Possible attempts to do so, such as by comparing bribes reported, the number of prosecutions brought or studying court cases directly linked to corruption, cannot be taken as definitive indicators of corruption levels. Instead, they show how effective prosecutors, the courts or the media are, in investigating and exposing corruption. Capturing perceptions of corruption of those in a position to offer assessments of public sector corruption is the most reliable method of comparing relative corruption levels across countries”.

Nigeria has ranked 144 in the overall assessment compiled in the 2013 CPI and falls in the category of highly corrupt countries. This is shown in Table 9.1:

Table 9.1 – Corruption Perception Index 2008 - 2013

Country	2008		2009		2010		2011		2012		2013	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Botswana	36	58	37	56	33	58	32	61	30	65	30	64
Brazil	80	35	75	37	69	37	73	38	69	43	72	42
Ghana	67	39	69	39	62	41	69	39	64	45	63	46
India	85	34	84	34	87	33	95	31	94	36	94	36
Indonesia	126	26	111	28	110	28	100	30	118	32	114	32
Korea Rep.	40	56	39	55	39	54	43	54	45	56	46	55
Malaysia	47	51	56	45	56	44	60	43	54	49	53	50
Nigeria	121	27	130	25	134	24	143	24	139	27	144	25
Singapore	54	49	55	47	54	45	64	41	69	43	72	42
South Africa	4	92	3	92	1	93	5	92	5	87	5	86

Source: Transparency International 2008 - 2011

The above table shows that Nigeria is ranked highest in corruption perception which is a woeful level when compared to the ranking of its comparators in recent years. Transparency International has recorded cases of big improvement in the rankings of some countries represented in the degree and level of corrupt practices or the level of corruption in general. However, Table 9.1 indicates that Nigeria is not only in a bad situation but is getting worse. Countries like Indonesia and Brazil have improved their rating from the

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rank of 126 and 80 in 2008 respectively, to an impressively low corruption rank of 114 and 72 in 2013. A particular post by Akpan Ukpong on *Frontier News* website talks about how the prevalence of bribery and embezzlement is the top agenda in the legislature. Akpan's post reads in part: "Aside other bribery scandals that have rocked the legislature overtime, aside issues that have led to change of leadership within the fold, and such other uncanny vices, none has been as thorny as this celebrated bribery scandal. The menu in the scenario was superbly crafted to assume a crescendo of the scandal of all scandals. This is a situation where graft was taken to a glorified level! Where tele-photography was employed to beat a retreat for an e-scandal"¹² Akpan spoke the minds of most Nigerians on the alleged bribery scandal involving Farouk Lawan, (Chairman of the House Committee, probing the 2013 fuel subsidy scam) who allegedly received \$620,000 dollars to doctor the report of the committee in favour of Femi Otedola (an oil magnate). Professor Wole Soyinka in a report by *The Punch Newspaper* in January 2012, described the legislature as the peak of corruption in Nigeria.

Soyinka used the symbols of "hydra" and 'octopus' to describe the National Assembly. These members of the hallowed chambers were alluded to as being plagued with 'hydro-pus' corruption¹³. Little wonder activists are canvassing death penalty for public corruption offenders. In another editorial by *The Punch* in January 2014, major lamentations were raised that the legislature has done nothing but harbour wrong doers. "Since 1999 when Nigeria returned to democracy, it (the legislature) has been unable to truly exercise its function of maintaining checks and balances in government, especially in curbing corruption. Its story, rather, has been a harvest of criminal corruption scandals -the bribe-for-budget scam involving billions of naira, alleged scummy pension fund deals, etc. Nowhere is the fact that the lawmakers are corrupt and ineffective more evident than in the \$620,000 fuel subsidy scandal, a.k.a. Faroukgate and the Herman Hembe trial. In spite of the breadth of evidence against Lawan Farouk, he still sits pretty in the 'hallowed' chamber. This is deplorable. If nothing is done, the legislature may soon be turned into a gallery of rogues"¹⁴ *The Punch* observed. This quite mirrors the eagerness and longing of Nigerians for a more habitable nation, but has been made very painful to live in and survive as a result of excessive looting and misapplication of the national resources by insatiable and uncaring leaders.

Another important report that has been examined in this chapter is the Global Corrup-

12 <http://www.frontiersnews.com/index.php/politics/36-politics/1010-commentary-nigerian-legislators-and-corruption-frontiernews->

13 *The Punch Newspaper* Jan 24, 2012 Nigerian legislature, Apex of Corruption – Soyinka by Gbenga Adeniji

14 *The Punch Newspaper* Jan 31, 2013 The National Assembly has failed the Nation by Punch Editorial Board

tion Barometer (GCB) also compiled by Transparency International. It is a worldwide public opinion survey on views and experiences of corruption. Conducted through polls of the general public, it provides an indicator of how corruption is viewed at national level and how efforts to curb corruption around the world are assessed. For the GCB of 2013, it was reported that approximately 1,000 people from each of the 107 countries were surveyed between September 2012 and March 2013. The survey sample in each country as reported, had been weighted to be nationally representative where possible. The survey questionnaire was translated into local languages and used for face to face CATI (Computer Assisted Telephone Interviewing) or online interviews, depending on the country context. The data was thereafter checked and analysed at the Transparency International Secretariat in Berlin and verified by an independent analyst.

The results presented in the report was also said not to be inclusive of ambiguous responses – “don’t know”, “no answer”. However, Elaine Bryne posted in a blog Irish Politics that there were inconsistencies and shortcomings of the CPI and GCB compiled by Transparency International. She argued that perceptions of corruption were very different from actual experiences of corruption and that the results had in effect not been very representative of the levels of corruption in these countries. “There is growing concern among anti-corruption agencies and the international community that perception-based indexes are not accurate measures. The best perception-based surveys do not always account for indirect effects of subjective factors, and their margins of error are large when compared with actual corruption (Bertrand and Mullainathan 2001). Since 2002, Transparency International has supplemented the CPI with the Global Corruption Barometer, a series of individual-level, national probability surveys assessing general public attitudes towards corruption and experiences of corruption in personal, business, and political life; educational and legal systems; medical services; police, registry, and permit services; utilities services; and tax revenue offices. It is significant that this survey distinguishes between the perception and the experience of corruption, and may be more reflective of the ‘echo-chamber’ effect in which perceptions of corruption can be shaped by entrenched historical stereotypes or media reports regarded as fact by the population surveyed. When the CPI and the Global Corruption Barometer are compared with one another, it is obvious that perception and experience of corruption are not the same things. Studies have shown that “the ‘distance’ between opinions and experiences varies haphazardly from country to country. The incompatibility of corruption perception with the experience of corruption points to the shortcomings of the perception methodology used”¹⁵

Nevertheless, the Global Corruption Barometer gives a rich insight into people’s person-

15 Editors of the Irish Politics Forum. Posted on October 27, 2010. Problems with Transparency International Corruption Perception Index by

al experience of corruption, as well as their views on the situation in their countries. Policy makers can use the survey to identify public institutions and services that are seen as corrupt and where bribes are most frequently paid by citizens. This enables anti-corruption policies and programmes to effectively target the most at risk services and institutions in a country. With the GCB, key questions can be compared from year to year and used for monitoring progress in stopping corruption at the national level. Civil society and journalists can use the survey as evidence of the views of people in a country with respect to this important issue. The data can be used to raise awareness about the impact of corruption on people in their everyday lives. It can also be used to mobilise people to get involved in stopping corruption, by demonstrating popular willingness to be engaged personally, by reporting incidences of corruption. The private sector can use the Global Corruption Barometer to better understand the

The Global Corruption Barometer gives a rich insight into people's personal experience of corruption, as well as their views on the situation in their country.

political climate in a country and the strength of national institutions. Researchers can use the survey to explore determinants and consequences of corruption and bribery in a wide range of countries. It offers both a breadth of country coverage and valuable data for a number of important questions. The Global Corruption Barometer is therefore, a rich and unique data source for the research community in general.¹⁶ In truth, it only documents the level of corruption, which has historically existed in successive governments in Nigeria as shown and discussed below.¹⁷

Pre-independence and the First Republic: Corruption, though prevalent, was kept at manageable levels during the First Republic¹⁸. However, the cases of corruption during the period were sometimes clouded by political infighting.

- Azikiwe was the first major political figure investigated for questionable practices. In 1944, a firm that belonged to Azikiwe (and his family) bought a bank (the African Continental Bank) in Lagos. The bank was procured to strengthen local control of the financial industry. Albeit, a report about transactions carried out by the bank showed though Azikiwe had resigned as Chairman of the bank, his successor was an agent of his. The report indicated that most of the paid-up capital of the African Continental Bank were from the Eastern Regional Financial Corporation.
- In Western Nigeria, politician Adegoke Adelabu was investigated following charges of political corruption leveled against him by the opposition. The report led to de-

16 http://www.ti-israel.org/_Uploads/dbsAttachedFiles/GCBFAQ.pdf

17 http://en.wikipedia.org/wiki/Corruption_in_Nigeria

18 Chinua Achebe. (1960). *No Longer at Ease*. New York. Chinua Achebe. (1966). *Man of the People*

mand for his resignation as District Council Head. In 1962, Chief Obafemi Awolowo was indicted and the Coker commission of inquiry was set up, which found that a substantial amount of money was misappropriated from the coffers of the Western regional government.

- In the Northern region, against the backdrop of corruption allegations leveled against some Native Authority officials in Borno, the Northern Government enacted the Customary Presents Order to forestall any further breach of regulations. Later on, it was the British administration that was accused of corrupt practices in the results of elections which enthroned a Fulani political leadership in Kano, reports later linking the British authorities to electoral irregularities were discovered.

Gowon administration: Corruption for the most part of Gowon's administration was kept away from public view until 1975. However, some informed officials voiced concerns. Gowon's critics labeled his governors as misguided individuals, acting like lords overseeing their personal fiefdom. He was viewed as timid, in terms of being decisive against corrupt elements in his government.

- In 1975, a corruption scandal surrounding the importation of cement engulfed his administration. Many officials of the Defence Ministry and the Central Bank of Nigeria were involved in the scandal. Officials were later accused of falsifying ships manifest and inflating the quantity of cement to be purchased¹⁹. It turned out that Nigeria had ordered 20 million tons of cement from 68 international suppliers for delivery at Lagos when that port could harbour only one million tons of cargo per year. When basic supplies became stalled in the inevitable port congestion, Nigeria attempted to impose an emergency embargo on all inbound shipping and to repudiate the contracts. In turn, its enraged suppliers tied up the country in litigation around the world for many years²⁰.
- During the administration, two major individuals from the middle belt of the country were accused of corruption. The Nigeria government controlled newspapers - the *Daily Times* and the *New Nigerian* - gave great publicity to denunciations of the administration of Gomwalk, and Federal Commissioner Joseph Tarka, a situation which may be said to have signaled a cause for exigent action on corruption²¹.

Societies in love with ostentatious lifestyle may delve into corrupt practices to feed the lifestyle and also embrace a style of public sleaze and lack of decorum.

19 Turner. (1976). The Nigerian Cement Racket. Africa Guide.

20 Verlinden BV v. Central Bank of Nigeria, 461 U.S. 480 (1983).

21 Keith Panter Brick. Soldiers and Oil: The Political Transformation of Nigeria.

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- In 1975, the administration of Murtala Mohammed later made reformist changes. After a putsch brought him into power, the government sacked a large number of government officials and civil servants, many of whom had been criticised for the misuse of power they wielded under the military government of Gowon²².

Shagari administration: Corruption was deemed pervasive during the administration of Shagari.

A few federal buildings mysteriously went on fire after investigators started probe on the finances of the agencies housed by the buildings²³.

- Late 1985, investigations into the collapse of the defunct Johnson Mathey Bank of London shed some light on some of the abuses carried on during the second republic. The bank acted as a conduit to transfer hard currency for some party members in Nigeria. A few leading officials and politicians had amassed large amounts of money. They sought to transfer the money out of the country with the help of Asian importers by issuing them with import licences²⁴.
- In 1981, a rice shortage led to accusations of corruption against the National Party of Nigeria (NPN) government. The shortages and subsequent allegations were precipitated, by protectionism. After his election, the Nigerian government decided to protect the local rice farmer from imported commodities. A licencing system was created to limit the amount of rice import. However, accusations of favouritism and government supported speculation was leveled against many officials²⁵.

Buhari administration: The Buhari government investigated and detained top political leaders of the second republic, holding them responsible for economic excesses of the previous regime. Constraints were placed on various groups, including the Nigerian Medical Association, which was outlawed, and the National Association of Nigerian Students. It promulgated two decrees that restricted freedom of the press and suppressed criticism of the government. Decree Number 4 forbade any journalist from reporting information considered embarrassing to any government official, whether true or not. Two journalists, Tunde Thompson and Nduka Irabor, were convicted under the decree. Decree Number 2 gave the Chief of Staff, Supreme Headquarters the power to detain for up to six months without trial, anyone considered a security risk. Special military tribunals increasingly replaced law courts while the state security agency, the National

22 Olajide Aluko. (1977). Nigeria and Britain after Gowon. *African Affairs*. Vol. 76, No. 304

23 Leon Dash. (1983). Mysterious Fires Plague Nigerian Investigations. *The Washington Post*

24 British banks linked to import swindles", *The Globe and Mail (Canada)*, December 3, 1985

25 Juan De Onis. (1981). Rice Shortage In Nigeria Brings Charges Of Corruption. *The New York Times*.

Security Organisation (NSO), was given greater powers²⁶.

Babangida administration: The main distinguishing feature of corruption in the Babangida regime was the pervasive culture of impunity: any of his acolytes, however high or low in status, could loot the treasury to their heart's content with impunity, provided they remained absolutely loyal and committed to the leader. Those who backslide or waver in their loyalty and committed, were terrorised with all the coercive instruments of state power, even when they had done no wrong. (Osoba, 1996, p.382).²⁷ The high level of corruption during the Babangida era was given greater rein by two propitious factors: the eight-year tenure of the regime (1985-1993) and the huge surge in oil revenue, including the famous oil windfall occasioned by the Iraq War in 1991. A whopping sum of US\$12.67 billion earned during the war, could not be accounted for by the regime. According to Ribadu (2006)²⁸, former Nigerian anti-corruption czar, this era was "tainted with profligacy, wanton waste, political thuggery and coercion..." Osoba (1996, p.381) argues that for the eight years of Babangida's stay in power, the regime never took a public stance against corruption. Instead, it proceeded with hitherto unknown dynamism to establish a sui generis military autocracy, grounded on cronyism, blatant corruption of high-profile individuals, groups in society, ruthless and systematic suppression of so-called "radicals," "extremists," and other real or imagined opponents of the regime. Indeed, it would appear that "the widespread and systematic use of corrupt means by Babangida to 'settle' many actual and potential critics rested on the impeccable presupposition that if he corrupted enough Nigerians, there would be nobody to speak out on the issue of corruption or public accountability"

Abacha administration: If Babangida's era was bad, Abacha's was worse. In five years of dictatorship and frenetic looting, Abacha paralysed the machinery of governance and pauperised the citizenry. He notably arrested/incarcerated commercial bank chiefs in Lagos, while he and his kitchen cabinet simultaneously stole and stashed away in banks around the world sums from US\$5 billion to US\$50 billion (Agbibo, 2012).²⁹ Nearly 15 years after Abacha's death, the Swiss Government has said that it has so far repatriated the sum of US\$700 million stolen by the late dictator and deposited in several Swiss banks. The Nigerian government has also recovered over \$100 million of the funds stolen by Abacha and his family from the autonomous British island of Jersey and an estimated

26 www.mongabay.com/history/nigeria/nigeria-he_buhari_regime.html#a6MpPjQw3goolbXB.99

27 Osoba, S. O. (1996). Corruption in Nigeria: Historical perspectives. *Review of African Political Economy*, 23(69): 371-386.

28 Ribadu, N. (2006). Corruption: The trouble with Nigeria. Retrieved from <http://www.gamji.com/articl5000/NEWS5530htm>

29 Agbibo, D. E. (2012). Between corruption and development: The political economy of state robbery in Nigeria. *Journal of Business Ethics*, 108, 325-354.

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\$150 million from Luxembourg. Other funds belonging to Abacha remain frozen in accounts in Liechtenstein, Luxembourg, the United Kingdom and the United States. In November 2009, Abacha's son was convicted by a Swiss court for his role in a criminal organisation and seized \$350 million in assets stolen from Nigeria (Ploch, 2010). In direct consequence of so much venality in public life, poverty has now embedded itself among the people of Nigeria. Also, under Abacha, the Nigerian "rule of law" was dealt a fatal blow. For example, the regime enacted Decree No. 12, of 1994, which officially removed the authority of the courts to investigate, let alone challenge, the actions of members of the regime. Ake (1995, p.5)³⁰ argues that when this happens, "the state effectively ceases to exist as a state and compromises its ability to pursue development."

Kleptocratic guardians

Kleptocracy – alternatively "power, rule",³¹ hence "rule by thieves" – is a form of political and government corruption where the government exists to increase the personal wealth and political power of its officials and the ruling class at the expense of the wider population, often with pretense of honest service. This type of governmental corruption is

There is a general agreement that a good government should be built on the four pillars of accountability, transparency, predictability, and participation.

often achieved by the embezzlement of state funds. Kleptocracies are generally associated with corrupt forms of authoritarian governments, particularly dictatorships, oligarchies, military juntas, or some other forms of autocratic and nepotist government in which no external oversight is possible, due to the ability of the kleptocrat(s) to personally control both the supply of public funds and the means of determining their disbursement. Kleptocratic rulers typically treat their country's treasury as though it were theirs, spending the funds on luxury goods as they deem fit. Many kleptocratic rulers also secretly transfer public funds into a number of secret bank accounts in foreign

countries in order to provide themselves with continued luxury if/when they are eventually removed from power and forced to leave the country. In early 2004, Transparency International released a list of what it believes to be the ten most self-enriching leaders in recent years³². In order of amount allegedly stolen (in USD), the Nigerian maximum leader, late General Sanni Abacha was ranked fourth amongst those who have looted their nation blind. They were:

1. Former Indonesian President, Suharto (\$15 – \$35 billion)

30 Ake, C. (1995). Socio-political approaches and policies for sustainable development in Africa. In B. Onimode (Ed.), *African development and government strategies* (pp.5-19). London: Zed Books.

31 Henry George Liddell, Robert Scott, *A Greek-English Lexicon*, on Perseus

32 lundering politicians and bribing multinationals undermine economic development, Transparency International. 2004. Retrieved October 16, 2006.

2. Former Philippine President, Ferdinand Marcos (\$5-\$10 billion)
3. Former Congolese President, Mobutu Sese Seko (\$5-10billion)
4. Former Nigerian Head of State, Sani Abacha (\$2-\$5 billion)
5. Former Yugoslav President, Slobodan Milošević (\$1 billion)
6. Former Haitian President, Jean-Claude Duvalier ("Baby Doc") (\$300-\$800 milion)
7. Former Peruvian President, Alberto Fujimori (\$600 million)
8. Former Ukrainian Prime Minister, Pavlo Lazarenko (\$114-\$200 million)
9. Former Nicaraguan President, Arnoldo Alemán (\$100 million)
10. Former Philippine President, Joseph Estrada (\$78-\$80 million)

Political corruption at the kleptocratic level bedevils Nigeria and deprives the people of efficient and effective health care, education and the prospects of a sustainable future.

The stubborn cankerworm

Some writers have posited about the different potential causes of flagrant and pecuniary graft that exists in the country. Many blame greed and ostentatious lifestyles as potential root causes of corruption. To some, societies in love with ostentatious lifestyle may delve into corrupt practices to feed the lifestyle and also embrace a style of public sleaze and lack of decorum. The customs and attitudes of the society may also be a contributing factor. Gift-giving as expressions of loyalty or tributes to traditional rulers may be fabrics of the society.³³ Also, a political environment that exudes favours towards elites or wealthy citizens may also be influenced by corruption. Wealthy elites may resort to sleaze in order to gain power and protect their interest. However, the bottom line surmised from the views of most Nigerians is that corruption is a problem that has to be rooted out. In Nigeria, another major cause of corruption is ethnicity (known as tribalism in Nigeria). Friends and kinsmen, seeking favour from officials may impose difficult strains on the ethical disposition of the official. Many kinsmen may see a government official as holding necessary avenues for their personal survival or gain.³⁴ A culmination of the use of official resources for private gain may lead to further pressures on incoming officials from other kinsmen. However, the fact is, the importation of modern rules on inter-ethnic political relationships is a recent colonial and western initiative that may take time to become the norm. Deep allegiance to other ethnic groups for administrative decisions earlier on was sometimes viewed suspiciously, and an early institutionalisation of a unitary system in the country, may also have led to a further familiar groupings-induced corruption. Nevertheless, a modern practical approach to leadership and relationships has gradually taken a prominent role in the political process. The necessity for practical inter-dependence

33 Wraith, R, and E Simpkins. (1983). Corruption in Developing Countries. *The Journal of Modern African Affairs*

34 Wraith, R, and E Simpkins. (1983). Corruption in Developing Countries *The Journal of Modern African Affairs*

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and co-operation is at the forefront of yearnings for good governance in the country.³⁵

There is a general agreement that a good government should be built on the four pillars of accountability, transparency, predictability, and participation. Accountability is the capacity of government to call public officials to account for their actions. Transparency entails the low-cost access to relevant information. Predictability results primarily from law and regulations that are clear, known ahead of time, and uniformly and effectively enforced; while participation is needed to supply reliable information and to provide a reality check for government action. These tenets are not very strange to many Nigerian leaders who, however, have failed to produce a government with such a solid foundation. The reason still boils down to the stubborn cankerworm, eating and feasting on the public sector. This cankerworm has been placed under scientific observations in political laboratories with the conclusion that it majorly thrives and persists in the petri dish of profuse discretionary power, creation of rents that can be extracted and more relevantly, weak institutions. Public officials (bureaucrats, politicians, etc.) in corrupt countries exercise the authority to design or administer regulations and policies in a discretionary manner. This discretionary power allows extraction of (existing) rents or creates rents that can be extracted. Toke S Aidt posited very correctly that much, if not all theoretical work on the causes of corruption, can be linked back to these three basic conditions³⁶. He went on to mention how these three root causes interact with each other. The first view is the "institutional view". It emphasises the functions and purposes of institutions (broadly defined to include political, bureaucratic, juridical and economic institutions) and presumes a causative link descending from weak institutions to corruption, down to poor economic outcomes. An instance is the incompetence of prevalent flawed law enforcement agencies, who due to their dereliction of duties, in turn, encourage rent extraction and excessive regulation of economic activity. This alludes to the description of corruption as the symptom of a more fundamental problem. Of course, pointers from economic conditions to corruption are usually also acknowledged as being important because they affect the presence or absence of economic rents, and it is also possible over a longer time-span to imagine that corruption could be the cause of weak institutions. Yet, the organising (and in many cases very powerful analytic) principle is to look for weaknesses in the institutional framework to find the root causes of corruption. The second view is the "social interactions view". It emphasises that corruption is the outcome of self-reinforcing social processes and downplays the causal role of institutions. The basic idea can be illustrated with an example along the lines of Andvig and Moene (1990)³⁷. Corrupt colleagues are less likely to report that you are corrupt than honest colleagues, simply because corrupt colleagues do not want

35 Varda Ecker. (1981). On the Origins of Corruption: Irregular Incentives in Nigeria. *The Journal of Modern African Studies*. Vol. 19, No. 1

36 Toke S. Aidt *The Causes Of Corruption* *

37 Jens Chr. Andvig and Karl Ove Moene. (1990). How Corruption May Corrupt. *Journal of Economic Behavior & Organisation*, vol. 13, issue 1.

to risk triggering an external inquiry. This makes the likelihood of being discovered/reported a decreasing function of how many others in the relevant social group take bribes. The incentive of any one individual to accept a bribe is obviously stronger when the likelihood of being discovered is lower. Combining these plausible assumptions, two types of stable situations can emerge: one in which no one takes bribes because anyone who does would be reported and punished, and one in which everyone take bribes because no one will ever be reported and caught. In other words, societies with otherwise very similar institutions and economic conditions may end up with very different levels of corruption. Shifts in institutions and economic conditions may trigger a swing from one equilibrium to the other, but it requires big shifts. According to this view, the key to understanding corruption is to understand how underlying social interactions work.³⁸ In some cases what is seen is a combination of both views such that the prevalence of corruption fuels the rapid spread of same within an entire group, however it still might be a symptom of an even larger and greater issue. Dr Peregrino Brimah has this to say about Nigeria:

When there is lack of investigative reporting in the local media and freedom of the press is suppressed, the result is an unfair government.

"When the government steals money; to steal money, it has to bribe many unworthy people in the process. It has to placate and please many co-conspirators, many fellow thieves. The consequence of this is that the society feels the presence of money in the hands of the unworthy. Money flows from one thief to another crooked friend and then to terrorists' hands. Guns are bought. Thugs are hired by the politicians and their friends. Sometimes, terrorists are paid with this stolen money. Terrorists terrorise the masses. The consequence is deaths. We, the people, pay the consequence of the stealing of public money as a consequence of our silence, of our delay to revolt. This is why, now, we revolt. When money is stolen, the police are not paid salaries commensurate with their task. Police are not paid regularly and are underpaid. The police spend their time hustling for tips instead of in training and pursuit of criminals. The police never investigate cases, they never track criminals; and when they do arrest suspects, they release them for some money. The consequence of the money that could improve the security services being stolen is poverty of the police force and deaths of the people from cheap criminals who would not last a day on American streets. We, the people die as a consequence of our tolerating a thieving government. The consequence of our inaction is death. When the government steals money, it packs our unemployed youths into stadia without proper consideration. It humiliates and kills our youths. There is no consequence for its actions because thieves are friends and protectors of thieves. The consequence of its stealing is the martyrdom of our most precious and most vulnerable.

38 The Causes Of Corruption Toke S. Aidt*

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The consequence of our failure to revolt is our death and pain”.³⁹

The lack of robust implementation of the Freedom of Information Act can also be said to foster corruption. The Indian Right to Information Act 2005 has “already engendered mass movements in the country that is bringing the lethargic, often corrupt bureaucracy to its knees and changing power equations completely.”⁴⁰ When there is lack of investigative reporting in the local media and freedom of the press is suppressed, the result is an unfair government. There should be no contempt for or negligence of exercising freedom of speech and freedom of the press. Minabere Ibelema in *Corruption and Press Freedom* expressed the idea that the inability of the press to operate freely and without fear is a self-evident nemesis of corruption. This is particularly true when one takes a cognisant look at the Press Freedom Index and compares the ratings of press-free countries with their Corruption Perceptions Index ratings.

Table 9.2: *Press Freedom Index and Corruption Perception Index in Comparator Countries*

Country	Press freedom Index Rank 2013	Corruption Perception Index Rank 2013
Botswana	41	30
Brazil	111	72
Ghana	27	63
India	140	94
Indonesia	132	114
Korea (South)	57	46
Malaysia	147	53
Nigeria	112	144
Singapore	150	5
South Africa	42	72

Source: *Transparency International and World Bank report*

The three African comparator countries – Botswana, Ghana and South Africa – are very

The three African comparator countries – Botswana, Ghana and South Africa – are very good examples in driving home the point on the link between an independent press and a corruption-free state.

good examples in driving home the point on the link between an independent press and a corruption-free state. The role of the press in the containment and suppression of corruption is very important. What is notable is that some countries, which the CPI shows to be the least corrupt— such as Botswana,

39 Consequences Of State Corruption Dr. Peregrino Brimah APRIL 24, 2014

40 Fidelman, Charlie (November 27, 2010). “Cash bribes put patients atop surgery waiting lists.” *The Vancouver Sun*. Retrieved 2011-01-21.

Ghana, South Africa and South Korea — are also the highest ranked in the Press Freedom Index⁴¹. Finland was ranked first in the Press Freedom Index 2013 as the country with the most independent press. This same country ranked third in the Corruption Perception Index 2013 – a very clean record.

As it concerns Nigeria, those who follow the news or who are actively socially-minded would agree that the country would be much less corrupt if press freedom were better than it is now. One might argue that the Nigerian press is free to publish without any hindrance, but the ability to do a detailed research to get to the root of issues and being unrestrained one way or the other to publish it and not be damned, is questionable. Furthermore, it turns out, the existence of pervasive corruption in Nigeria has less to do with exposure and more to do with a culture of accommodation. The press can expose the corrupt but not convict them and put them in prison. That task is for law enforcement agencies and the judicial system. It is disheartening that in a country where so many leaders are so corrupt, so few are convicted and imprisoned, which logically leads to another pillar that holds corruption firmly in place, and that is the weak judicial independence and rule of law.

It is no news in Nigeria that impunity is a great catalyst for lawlessness and social injustice. The weakness of the judicial system is a serious case of corruption. Most often, judicial systems are weak as a result of poor conditions of service. Given this state, it is the poor people that suffer the brunt of injustice as the rich always stand a better chance of getting justice against the poor. Also, the lack of clearly distinct separation of powers between the judiciary and executive arms of government often results in the latter, exercising undue influence over the former. Additionally, inefficiencies in the judicial/legal system can exacerbate inequitable political or economic situations. Unequal treatment by authorities can undermine non-dominant groups' confidence in the system, redressing their grievances, resulting to violence. For example, where access to and transparency of the judicial system is limited to those who speak an official language (a form of bribery), ethnic groups, who speak different languages, are left outside the legal system. A functioning judicial/legal system is important for sustained fight against corruption, in particular and democracy in general. In some conflict situations, dealing effectively with the injustices of the past is critical to breaking the culture of impunity which provides incentives for

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⁴¹ <http://www.punchng.com/columnists/punchwise/corruption-and-press-freedom/>

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corruption and violence.⁴² Debo Adeniran in the article, *Corruption, Misgovernance and Official Impunity: The Bane of Nigeria's Socio-Economic Development and Prospects*, posted online had this to say: "The level of rot pervading every stratum of the Nigerian society has elicited concerns from many well-meaning Nigerians at home and in the diaspora. The future of our dear country seems to be bleak because corruption is now in the garbs of honour and the culture of impunity in play. At the root of underdevelopment in Nigeria is corruption and impunity. It has stalled the development of our power sector; it is a major contributory factor to poverty and the sharp economic decline in the country. Corruption has made it impossible for us as a nation to attain the United Nations Millennium Development Goals despite the much celebrated rebased GDP that throws up Nigeria as the strongest economy in Africa. All indices of human, infrastructural, social, political development are in comatose. Our roads have become death traps and other infrastructures are in the state of deterioration, no thanks to the endemic corruption that has eaten deep into the skeleton of our nation. It is clear to all Nigerians that the country is going through a very trying period. Most Nigerians have been worried sick about the challenges of the Nigerian state. Revelations of monumental corruption and fraud at the many probes initiated by state actors have sent shock waves beyond our borders. Many who have been indicted in some scandals are still walking free on our streets, which has emboldened some others to perpetrate more corruption"⁴³.

The lack of measurement of corruption is equally an eyesore in any governmental system. For example, using regular surveys of households and businesses in order to quantify the degree of perception of corruption in different parts of a nation or in different government institutions may increase awareness of corruption and create pressure to combat it. Measures like this help to assess officials who are fighting corruption and the techniques employed to do same.

Several writers have extensively discussed how tax issues affect corruption. Dr. Olumide K. Obayemi, for example in an article, *Illegal Gains, Tax Evasion, And Gross Income Under The Nigerian Tax Laws*, made it clear that tax administration is an essential part of governance and should be a veritable weapon in curbing corruption and promoting transparency in business dealings in Nigeria, particularly when the tax evasion rules are effectively implemented to regulate and discourage unreported income. He cited that a professor of Taxation Law, Abiola Sanni, had once lamented that in Nigeria, there had never been a criminal prosecution, arising from tax evasion. According to him, the

42 Yahaya Abdulkarim. (2012). Socio- Economic Effects of Judicial Corruption in Nigeria International Journal of Humanities and Social Science Invention www.ijhssi.org Volume 1 Issue 1

43 <http://www.deboadeniran.com/corruption-misgovernance-and-official-impunity-the-bane-of-nigerias-socio-economic-development-and-prospects/>

foregoing, however, is not borne out of the absence of relevant tax evasion statutes in the country, but, rather, the docile approach to implementation which has been the clog in the effective administration of the Nigerian tax regimes. Income that is accruable from tax avoidance and tax evasion should not be underestimated. There are just too many unreported income from various small and medium scale businesses, including Clearing and Forwarding agents, Publishing Houses (the media in particular), Nigerian Customs and Excise officers, officers of the Nigerian Federal Road and Safety Commission and income accruing to government officials from issuance of tax clearance certificates, to mention a few. Nigeria's Personal Income Tax Act (PITA) should be able to tax ill-gotten wealth and there should be no disinclination to test this legal question up to the apex court of the land. Not only will taxation of such income increase the coffers of the government, it would assist in discouraging corruption and sharp practices. The foregoing will also ensure an even playing field between the conscientious and honest citizens viz-a-viz, the unscrupulous ones. Enforcing such laws will further complement several whistle-blower laws, Securities and Exchange Commission Act, and the Freedom of Information Act.

As governments around the world deal with continuous pressures to improve the value they deliver to their citizens, one important tool that can support their efforts is benchmarking, a practice the private sector has used to great effect over the last decade.

Finally, that sort of law will bring Nigerian law regime at par with contemporary European and American jurisprudence on taxation. The intricacy of a tax system can be a very significant contributory factor towards corruption within the tax authorities. Tax inspectors can manipulate complex tax regulations, or the discretionary scope they have as a result of unclear laws, conventions, acts and procedures, to extort bribes (e.g. in the selection of taxpayers for investigation or when acknowledging a tax deduction). Citizens, who successfully avoid paying their taxes, are only able to do so because they pay bribes to avoid detection. Prof (Dr) Herbert Edling highlighted very helpful measures to curb and curtail corruption in the taxation system sector. They include clear distinction of functions, e.g. separation of assessment and collection of taxes; spatial and organised separation of the processing of applications and the delivery of professional advisory services; separation of tax audits from the processing of applications; writing off of revenues within a single unit that is organisationally separate from the rest; outsourcing of payment and accounting operations to private providers (banks); organisational separation of the investigation of suspected tax offences unit from other units; clear separation of spheres of responsibility along functional lines; adjustment of the tax audit strategy (the strategy for selection and incidence of audits and monitoring) to each change in the tax rate; increased utilisation of third-party data for tax assessment; strengthening of the internal monitoring system; monitoring of tax audit results and, if appropriate, punishment of tax inspectors where

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e.g. tax evasion has been concealed; reduction of personal interaction in procedures, including the avoidance of long-term relationships between taxpayers and tax officials.⁴⁴

Another contributory factor to the prevalence of corruption is the lack of benchmarking in governance. This is a continual detailed evaluation of procedures and comparison to others who do similar things, in the same government or others, in particular comparison to those who do the best work. The Peruvian organisation, Ciudadanos al Día (CAD) was reported to have started to measure and compare transparency, costs, and efficiency in different government departments in Peru. Ciudadanos al Día (CAD) was founded in 2002 as an activist organisation to revolutionise the relationship between citizens and their government in Peru, i.e. to improve the citizen-state relationship at all levels of government through interventions that lead to greater transparency, efficiency, and equity and to a citizenry that is more informed, demanding, and engaged. CAD specialises in developing initiative to improve the quality of public management and increase citizen engagement.⁴⁵ It annually awards the best practices which has received widespread media attention. This has created competition among government agencies in order to improve. As governments around the world deal with continuous pressures to improve the value they deliver to their citizens, one important tool that can support their efforts is benchmarking, a practice the private sector has used to great effect over the last decade. When used effectively, benchmarking can raise the bar for organisational performance, help reduce costs and improve service levels.⁴⁶

In a situation where public funds are centralised rather than distributed, corruption can grow easily. For example, if ₦1,000 is embezzled from a local agency that has ₦2,000 funds, it is easier to notice than from a national agency with ₦2,000,000 funds. According to an online post titled, Conditions Favourable for Corruption, it was reported that in a study of The Heritage Foundation, lack of economic freedom was shown to explain 71% of corruption generally.⁴⁷ It is a controversial issue insinuating that the size of the public sector encourages corruption. Extensive and diverse public spending in a large public sector is, in itself, inherently at risk of cronyism, kickbacks, and embezzlement. Complicated regulations and arbitrary, unsupervised official conduct aggravate the problem. This is one argument that favours privatisation and deregulation. However, this argument is weakened by the existence of countries with low to non-existent corruption despite having large public sectors, like the Nordic countries (Denmark, Finland, Norway, Sweden). These countries score high on the Ease of Doing Business Index, due to good and

44 Prof Dr Herbert Edling (2005). Preventing Corruption in Public Finance Management: A Practical Guide. Eschborn.

45 <http://internationalbudget.org/groups/ciudadanos-al-da-cad/>

46 <https://www.nasact.org/nasact/benchmarking/downloads/AssessBenchmarkGovOrg.pdf>

47 <http://governmentcorruption-jose.blogspot.com/2011/05/conditions-favorable-for-corruption.html>

often simple regulations, and have the rule of law firmly established. Needless to say, these countries have exemplified the fact that privatisation is not the key to stop corruption.

The lack of corruption in these countries shows that large public sectors can be run without inducing political corruption. Like other governmental economic activities, privatisation also, such as in the sale of government-owned property is particularly at the risk of cronyism. Privatisations in Russia, Latin America, and East Germany were reported to have been accompanied by large scale corruption during the sale of the state owned companies. Those with political connections unfairly gained large wealth, and this has discredited privatisation in these regions and other parts of the world. While the media have widely reported the grand corruption that accompanied the sales, it has also been argued that privatisation has brought about increased operating efficiency and that daily petty corruption is, or would have been, larger without privatisation, corruption thereby being more prevalent in non-privatised sectors. Additionally, it suffices to suggest that extra-legal and unofficial activities are more prevalent in countries that privatise less.

There is the counter point, however, that small, independent industries can be quite corrupt (like engaging collusive price-fixing, pressuring dependent businesses, etc.), and this can only be moderated by having a portion of the market owned by a distinct body i.e. public sector, which can keep them in line (e.g. if the gas company of the public sector is making money and selling gas for a lower price than that of the private sector companies, the private sector companies will not be able to simultaneously extort people, and still keep their customers). It is the competition that keeps them in line. In any case, where privatisations move expenditure from public to private sector, past regulations affect the current level of corruption due to the slow process of cultural changes in adaptation to statutes (e.g., there is a longer duration involved when corrupt officials try to adjust to changes in economic freedom). Private sector corruption can increase the poverty and helplessness of the population and can also affect government corruption, in the long-term. The European Union's principle of subsidiarity is an effective system by which a government service is provided by the lowest, most local authority that can competently provide it. Although this results in distribution of funds to many entities, the multiple instances discourages embezzlement, because even small sums missing will be noticed. In contrast, where there is centralised constituted authority, large sums of money and proportions of public funds are carted away with little or no detection and apprehension.

In an article by Rasak Musbau, *Nigeria and The Corruption Malady*, the spread of corruption in our clime was linked to the corrosion of hitherto revered African values. According to him, materialism was not the basis of the society in ancient times. Currently, what we see around is a reverse case of celebrating petty thieves, armed robbers and corrupt public officials, among others, who are much more valued than honest men with

little or no means. The inability of government, over the years, to demonstrate genuine resolve to meet the needs of the people is equally responsible for this show of shame, as

Currently, what we see around is a reverse case of celebrating petty thieves, armed robbers and corrupt public officials, among others, who are much more valued than honest men with little or no means.

the poor have to stoop so low to "lick the feet" of the rich to survive. Perhaps, more crucial is the fact that nothing serious is being done to prevent corruption. Kayode Oladele in the article, *Causes and Consequences of Corruption: The Nigerian Experience* had this to say: "Corruption is supported when some/few societal culture promotes corruption. Why should a convicted corrupt individual be offered a chieftaincy title by traditional rulers? Why are governors, some of whom have been fingered in corruption, been given awards or been elected into the senate? There are also other instances where religious institutions have ordained corrupt public officials, and sometimes organised thanksgiving services for corrupt ex-convicts who are just being released from prisons.

The nature of the economy is also a crucial factor. It has been argued that rent-seeking or rent-based systems tend to promote corruption. If this view holds, then, because the Nigerian economy is based on rents from crude oil and gas, it follows that there would be a number of "leakages" that would allow for the easy flow of cash and favours, sometimes in illegal ways. Until recently in Nigeria, public officers would deliberately delay the implementation of national budget with the hope that at the end of the financial year, any unspent budget would become largesse to be shared by the senior civil servants. This is why it is often said by experts that for corruption in public sector to flourish, public officials must possess "the authority to design or administer regulations and policies in a discretionary manner"⁴⁸.

Kayode Oladele, who wrote about the state of corruption in the country with a focus on the Economic and Financial Crimes Commission (EFCC) in Nigeria, identified weak and ineffective institutions as drivers and proponents of corruption. This, he said, is because corruption has a high propensity to thrive when legal and political institutions are weak and government policies generate economic rents. In most places, there are many incentives in the public sector, particularly administrative and legal institutions where public officials possess and wield unrestricted authority and powers to create avenues for unjust enrichment or use the discretionary powers at their disposal to manipulate the system. According to the World Bank Report, "the normal motivation of public sector employees to work productively may be undermined by many factors, including low and declining civil service salaries and promotion, unconnected to performance or merit. Dysfunctional government budgets, inadequate supplies and equipment, delays

48 <http://nigerianecho.com/?p=4020>

in the release of budget funds (including pay), and a loss of organisational purpose also may demoralise staff. In some countries pay levels may always have been low, with the informal understanding that staff will find their own ways to supplement inadequate pay. Sometimes these conditions are exacerbated by closed political systems dominated by narrow vested interests and by international sources of corruption associated with major projects or equipment purchases⁴⁹.

There is a link between the issue of weak institutions and the role of formal rules and the criminal justice system. No country will condone corruption in any way or manner. It is to this effect that there are several formal rules and laws prohibiting corruption and corrupt practices with appropriate sanctions and punishments. Put together with organic laws, several public institutions such as the Police, Customs and Immigration, Road Safety Corps, Fire Marshals, the Armed Forces, internal revenue agents, and other institutions including the judiciary, have comprehensive codes of conduct to regulate their behaviours which also prohibit the receiving or accepting of bribes, gifts, gratifications etc. However, despite all these measures, in a political economy that is characterised with corruption, such formal rules are usually supplanted by informal rules or customs that encourage corruption to flourish.

In the Nigeria situation, though the law criminalises the giving and taking of bribes, in practice, it is the order of the day. Hardly can one get anything done without gratification, or in the Nigerian manner of speaking, “settling” someone. Despite the establishment of the Economic and Financial Crimes Commission (EFCC), the laws are hardly enforced and the informal rules still prevail. The EFCC was established to strengthen anti-corruption institutions and emphasise the recognition and enforcement of formal rules. The government of Nigeria, in a way, having recognised the need to have strong formal rules, also enacted various other laws such as The Money Laundering Act, the Advance Free Fraud Related Offences Act and the Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act, and several other legal frameworks to curb corruption and strengthen the legal and economic institutions, including the criminal justice administration. The Act also made the EFCC the designated Financial Intelligence Unit (FIU) in Nigeria, charged with the responsibility of co-coordinating the various institutions involved in the fight against money laundering and enforcement of all laws dealing with economic and financial crimes. Essentially the above laws and the strengthening of institutions are meant to enhance

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49 <http://www.worldbank.org/publicsector/anticorrupt/corruptn/cor02.htm>

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detection and prosecution particularly as the incentive to engage in corruption and corrupt practice is stronger where the probability of being discovered or prosecuted is remote or non-existent⁵⁰.

A national moral breakdown

"In Nigeria, powerful habits like the quest for money, unearned fame, love for tribal affiliations, condoning corrupt practices, inordinate ambition for political office, showing off stolen national wealth and peddling of cheap influence die hard". These were the words of Emmanuel Omoh Esiemokha who posited that translucent manifestations of lawlessness, debauchery, kidnappings, joblessness, hopelessness, incompetence and unlawful social acts that endanger the citizens and create fear and insecurity hardly produce the quality of life evinced in a democratic society. Some Nigerians do not value the rewards of excellence. The young do not receive the necessary guidance to life's purpose and so, have no systematic approach to the greater challenges of tomorrow. Consequently, they tend to drift into the devil's calling. This manifests later, by virtue of the entrenched socially unjust quota system, when they become ministers, and directors, who cannot perform until they are belatedly removed in ministerial reshuffles, only to be replaced by former adepts. The burden of political arrangements in Nigeria lies in the tacit toleration of incompetent persons in high office. Instead of treating them with contempt, some people genuflect before them for the sake of perceived favours and so, the rot continues unabated. A system of how to govern Nigeria has not yet been put in place. If National Dialogue fails to grapple with the disorganised socio-economic malaise, the circus of guess-work, ad-hocism and the use of dead wood in high office will continue to simmer.

There appears to grip the nation, an irresistible force that controls the state, puts the polity in stitches, making it materially impossible for the state to perform its obligation to the people. Government statements that should inform, motivate, recommend, persuade, instruct, reinforce and impress, end up antagonising reasoned suggestions and informed criticisms. This usually arises from puerility of the mind, fear of losing power and uncultivated, unsophisticated minds that are narrow, lack wisdom and revelation/knowledge or both. Good governance has become elusive in Nigeria. Government must bear in mind that it is bound by social contract with Nigerians, to observe the principles of proper management of public affairs and public property, fairness, responsibility and equality before the law and the need to foster integrity and to cultivate a rejection of the prevailing and pervasive culture of corruption. Hypocrisy adorns the reaction of the media to issues concerning corruption in Nigeria. The tone of condemnation is determined by the ethnic origin of the proven, or alleged perpetrator or perpetrators of the corrupt

50 <http://www.punchng.com/opinion/causes-and-consequences-of-corruption-the-nigerian-experience-1/>

Akinoyemi lamented that in the Nigeria of today, values no longer exist unlike in the 60s

The suffering masses have to stand up to this act and get out of their comfort zones to speak up and fight for justice and equity. It is important that Nigerians do not remain passive and docile in shaming and defaming corrupt practices.

and said the whole system embraces corruption and other vices. In his words: "Parents not only encourage their children to cheat to beat the system, they aid and abet the children in nefarious activities. No one believes anymore in the concept of society. In my youth, to be accused of theft or any other criminal offence was tantamount to being banished from society. To be convicted was tantamount to suicide. But now, no one asks for the source of the wealth. People in jail, accused of murder, run for and win elections. More than a score of members of the Nigerian Senate have Economic and Financial Crimes Commission (EFCC) court cases against them. Only in Nigeria do you steal billions and be pardoned with less than a

million naira fine. No one can be a billionaire in this present Nigeria without being corrupt. To be a millionaire is still alright but if you are a billionaire, you are corrupt; that means you are cutting corners."⁵³ He listed some corrupt practices in which some people enrich themselves as including, tax evasion, using government money for personal business, going through illegal means to win contracts from the government and a host of other corrupt practices. He concluded that "We must find a way to build a nation where no man or woman is oppressed, where no man or woman is marginalised, where there is hope for everyone, where a man or a woman through hard work, honesty and integrity will have the opportunity to achieve his dreams".

The moral decay must have inspired Ochulor to declare that, "as a result of Nigeria's current Machiavellian philosophy of wealth acquisition...most Nigerians today believe that moral uprightness and wealth acquisition are two parallel lines that can never meet. Consequently, those who want to be morally upright have given up the ambition of becoming wealthy because they feel it is for the corrupt. And those who want to be wealthy have given up the possibility of moral uprightness because they think it does not promote wealth".⁵⁴ Therefore, the thesis that the Nigerian is corrupt is a foregone conclusion. The longtime reign of corruption has come to leave a mirroring factor in the life of the nation to the extent that what is true in reality can be made false in appearance and vice versa.

53 Professor Akinoyemi in an inaugural lecture in Akure entitled: Leadership, Democracy And Development; A Paradigm Relationship, organised to usher Governor Olusegun Mimiko for his second term in Office)

54 Ochulor. C. L. (2007) Philosophy: A Fundamental and Basic Science. Calabar: Focus Prints& Publishers.

The case of the erstwhile Governor of Delta State, Chief James Ibori, is a strong one in point. An ex-convict, who was given a clean bill of health ironically by the same judiciary that once convicted him he was eventually unmasked far away in the United Kingdom to the embarrassment of the country and the judiciary in particular. It is one thing to acknowledge that corruption is a bad practice and another to truly acknowledge a corrupt practice in Nigeria. This is the major challenge of properly identifying and addressing corruption – the lack of institutional moral uprightness to call a spade a spade and let justice take its full and unblemished course. Otherwise, most political leaders and civil servants will willingly resign their posts and offices and turn up for prosecution. But this will never happen because the corrupt man does not yet believe he is corrupt. He sees himself as being smart, exploiting his opportunities, taking his own share of the national cake and the like. At the same time, the corrupt see and accept corruption itself albeit as separate, entities tormenting the masses. Also, the system is too timid or too patronising of the corrupt to point fingers as it should. Ochulor states: “The process of acquiring wealth in Nigeria has taken different dimensions as people now consider wealth not as a means but as an end.

The people must completely turn from the “chop-chop” mentality (self-centred and self-seeking mindset) to a “work-work” mentality, where hard work, honesty and initiative is the order of the day.

Therefore, it does not matter what one does and for how long. In short, one can live a lifetime of corruption in so far as it makes him wealthy and powerful, given that it is accepted and condoned by the society. He can never be the bad man. It is corruption who is the common enemy of all. This is very obvious from what happens daily in the Nigerian society, where corrupt men are celebrated, regarded highly and often given chieftaincy titles and coveted national awards. As Dike writes, “Nigeria’s reward system is perhaps the poorest in the world. Nigeria is a society where national priorities are turned upside down; hard work is not rewarded, but rogues are often glorified.”⁵⁵ This entire societal madness clearly shows the double face of corruption in Nigeria. At one end people shout against corruption, pass bills in the National Assembly, establish anti-corruption commissions and campaigns, but at the other end, the same people carry out on daily basis several acts of corruption, ranging from looting, embezzlement, favouritism, nepotism to contract scams, among others.

Nevertheless, going by the many unresolved high profile corruption cases in recent times in Nigeria, it is not difficult for any patriotic Nigerian to know that official corruption

55 Dike, V. E. Corruption in Nigeria: A New Paradigm for Effective Control. Africa Economic Analysis. <http://www.AfricaEconomicanalysis.org>.

in high places has been the root cause of all the manners of woes, bedevilling Nigeria. Well, the suffering masses have to stand up to this act and get out of their comfort zones to speak up and fight for justice and equity. It is important that Nigerians do not remain passive and docile in shaming and defaming corrupt practices. Executive, legislative and judiciary robberies that have rendered the masses impoverished over the years must not be allowed to go unpunished. Any civil servant that embezzles and defrauds the government must be put behind bars because he has lost the moral right to win justice to his side and uphold honour. The case of those stealing billions going scot free because there is money to feed every barking dog and roaring lion, must all come to an end.⁵⁶

There is need to understand that stamping out corruption is one of the key elements that would make any nation great, particularly the Nigeria nation, given the retrogressive impact of the pervasive corruption. Economic reforms are good but not good enough to change a nation. Any nation that would indeed be great must be established on enduring national values that bind every individual in the corporate entity. National culture must be revisited as it influences national character and image. Corruption is often referred to as the bane of development in Nigeria but we forget that it does not exist by itself. What the nation lacks is a system of values and nothing else. Nigerians must change from the current celebration and public worship of amassed wealth and riches, especially when it is ill-gotten to one that rewards and gratifies hard work, selflessness and dignity. The people must completely turn from the “chop-chop” mentality (self-centred and self-seeking mind-set) to a “work-work”

The value system as it stands today is faulty and there can be no meaningful progress until this is re-visited.

mentality, where hard work, honesty and initiative is the order of the day. It should be borne in mind that skills and interests are not enough to make a man great, ditto for a nation. What determines how successful one would turn out in life is largely the values one subscribes to and imbibe. Thomas Edison was perhaps not the brightest scientist in his days but he stood out and invented the electric bulb. After several thousands of failed attempts, Thomas reported that he became more persistent, where his colleagues might have relaxed. What saw him through were not his skills nor his interests, but persistence. His values made him succeed! This is a reflection of the Nigerian experience --a nation so much talented and skilled yet unfortunately unsuccessful. What the nation lacks is a value system. No matter the amount of reforms undertaken by the government, greatness will be far-fetched until value re-orientation is vigorously pursued. The value system as it stands today is faulty and there can be no meaningful progress until this is re-visited. The Nigerian youth wastes his life, chasing riches and regards same, above every other thing in life. Evidence of the love of money in Nigeria abounds. The value placed on the

56 <http://olamidebakare.wordpress.com/2014/03/21/official-corruption-the-bane-of-nigerians-woes/>

life of fellow citizens is low and that informs the choices regularly made as a nation. Since money appears to be the greatest thing in life to the average Nigerian, people consider it fair and reasonable to embezzle public funds and resort to theft. People kill and assassinate fellow citizens at the slightest provocation because little or no value is placed on life! Of course, corruption reigns supreme in the land today because of moral decay and very faulty values.

What must be done to restore Nigeria's integrity is the redefining of national values. The Nigerian youth must understand that there are things greater than money and that money is not the ultimate thing in life. It must be stressed that there is joy in valuing hard work, integrity, honesty and accountability over financial gains. The social sins Mohan-

Whatever you sow

It is usually said that if you pay peanuts, you get monkeys. There is a broad consensus that low government wages in developing countries result in a decline of public efficiency and productivity, creating both incentives and opportunities for abuse and misuse of public resources. However, most studies also agree that increasing salaries without establishing effective control and monitoring systems as well as enforcement of appropriate sanctions is unlikely to have an impact on corruption. Underpaid staff develop a wide range of coping strategies to top up incomes, such as teaching, consulting for development agencies, or moonlighting in the private sector. One of their most frequent and effective strategies activities that benefit from donor-funded allowances. In addition, the abuse, such practices have a number of undesirable side effects on the incentive structure of public servants, encouraging specific interactions of patronage, creating situations favourable to conflicts of interest, and brain drain. Greater transparency and accountability of wages and salaries have perverse effects of such practices. Civil service wages and salaries have declined in real terms in the past two decades. During the oil boom period of the 1970s, real wages declined on average by 50%.

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period 1970-1992 and 34% during the 1980s.⁵⁸ Much of this waning was on account of the high rates of inflation which was experienced by the economy. Although successive wage and salary reviews have tried to reverse these trends, it has been on the whole difficult to protect wages from serious decline.⁵⁹

According to Daily Independent, Association of Senior Civil Servants of Nigeria (ASCSN) in a statement by its Secretary-General, Alade Bashir Lawal, said Nigerian civil servants are the least paid in Africa, South of the Sahara.⁶⁰ Wages in private firms and companies are, for example, of a higher and increasingly wider margin than those in the public sector. Although there might be no comparative data by grade level, subjective claims exist which suggest that public sector wages in Nigeria are lower than private sector wages. Clearly, there is a need to make the remuneration structure of the civil service more competitive in order to improve its image. A demoralised and disgruntled worker whose image has been unduly dulled cannot be an effective instrument of change. Recently, there have been two successive attempts to increase the public sector minimum wage in Nigeria. The first was introduced by the military regime of General Abdulsalami Abubakar in 1998 when the minimum wage was increased dramatically from US\$1.20 to US\$41.77 per month (using a parallel market rate of ₦83.8 to \$1).

The second attempt at raising the national minimum wage was undertaken in May 2000 by the new democratically elected administration of President Olusegun Obasanjo. The public sector minimum monthly wage was raised to US\$53.91 (at the parallel market rate of ₦102.02 to \$1.00) – that is by about 30% in nominal terms, but without sufficiently and absolutely catering for the wage decline of the past decade. Not only did minimum wages continue to be fixed for the federation and the value quickly eroded by inflation, payments are largely usually beyond the states and local governments. The effect thus are usually a list of indebted public workers who are owed salaries for months and unending industrial conflicts induced by unpayable wages between labour and state governments. Although this was supposed to be a motivation and incentive to the public sector workers, in a bid to enhance productivity, it however, became an impediment to the performance of state governments. (Salisu, 2001). It is disturbing to note that some state governors still fail to pay the low wages and when they do, they do not pay as at when due.

Undue influence or political sponsorship is a pertinent factor in the incentive environment of the public sector in Nigeria. Civil service appointments and promotion often tend to reflect this in a large measure as the skills and professional qualifications of the

58 <http://www.econstor.eu/bitstream/10419/52799/1/335130321.pdf>

59 <http://www.ukessays.com/essays/economics/low-wages-and-corruption-in-nigerian-public-service-economics-essay.php>

60 Daily Independent January 2014

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efficiency, reliability and continuity of the system have been tampered with, resulting in major and severe setbacks for the conduct of government business. Government business was operated as if laws and rules no longer existed to govern the way and manner public funds were expended. Public funds were disbursed illegally without recourse to Financial Regulations; facilities of the Central Bank of Nigeria (CBN) and the Nigeria Security Printing and Minting (NSPM) were recklessly abused, and the contingency fund was used without regard to the rules governing its operation.”⁶⁵

The era of the use of regulations to execute public procurement disappeared, at least at the federal level, until the passage of the 2007 Public Procurement Act, and the setting up of the Public Procurement Bureau. The Act lists six key objectives for the Bureau which are to:

- Harmonise existing government policies and practices on public procurement.
- Ensure probity, accountability, and transparency in the procurement process.
- Establish pricing standards and benchmarks.
- Ensure the application of fair, competitive, transparent value-for-money.
- Ensure standards and practices for the procurement and disposal of public assets and services.
- Attain transparency, competitiveness, and cost effectiveness in public procurement.
- Achieve professionalism in the public sector procurement system.

The main functions of the Bureau under the Act are as follows, to:

- Formulate general policies and guidelines on public procurement for the Council to consider and approve.
- Publicise and explain the provisions of the Act.
- Certify qualifying federal procurement prior to the award of contract.
- Supervise the implementation of established procurement policies.
- Monitor prices of tendered items and keep a national database of standard prices.
- Maintain a database of particulars, classification, categorisation of contractors and service providers.
- Collate and maintain in an archival system, all federal procurement plans and information.
- Organise training and development programmes for procurement professionals.
- Periodically review socio-economic effect of procurement policies and advise Council accordingly.
- Prepare and update standard bidding and contract documents.
- Prevent fraudulent and unfair procurement and where necessary apply administrative sanctions.

65 President Olusegun Obasanjo

- Review the procurement and award of contract procedures of every entity to which the Act applies.
- Perform procurement audits and submit such report to the National Assembly bi-annually.
- Co-ordinate relevant training programmes to build institutional capacity.

With the implementation of the Act, Public Expenditure Management (PEM) has improved with the consequent reduction in the level of corruption in this area. The Act has addressed some of the inadequacies in Public Procurement. These include the standardisation of public procurement procedures and minimisation of areas of exercise of discretion by procuring entities. Such minimisation of discretion is especially prominent in the choice of procurement methods, methods of selection of contractors and service providers, determination of prices, and stipulation of performance quality standards. However, it is a different issue whether procuring entities are faithfully complying with the Bureau's prescription. Nevertheless, corrupt behaviour still lurks in the public sector. Investment in large-scale projects is usually more susceptible to corruption, and "more profitable" for actors than current expenditure on the maintenance of existing infrastructure (e.g. road renewal) or smaller-scale projects (e.g. local health centres). Corruption thus promotes alterations in the structure of expenditure, and at the same time a decline in the productivity of public investments and a deterioration in the quality of infrastructure. This impacts negatively on growth and development. The task of a financial control unit is both to detect corruption, and prevent it. In its capacity as a neutral monitoring and advisory body, it is mandated to strengthen the financial, legal and institutional framework for legal, economically efficient and transparent financial management, and to systematically eliminate weak points and points of entry for corruption. Corruption in financial control, as an integral part of the budget cycle, not only makes it more difficult to identify corruption, but also constrains the preventive effect of monitoring. Corruption in the award of public contracts affects the competitiveness of individual enterprises, and usually causes a deterioration in the quality of their services, which also become more expensive. As well as the aforementioned effects, there is also sufficient evidence to indicate that corruption in public finance also impacts particularly negatively on small and medium-sized enterprises and poor sections of the population. Poor groups are hit harder than others by the corrupt allocation of funds for public services, inter alia because they are politically less influential.

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At the same time, it is above all, the poor, who suffer the effects of sluggish economic development and low growth. Furthermore, the poor are hit harder than the rich by increase in public service charges caused by corruption. This makes it more difficult for them to gain access to public services. It is to be assumed that, generally speaking, the costs of petty corruption, e.g. to speed up the payment of unemployment benefit or pension monies, are disproportionately high for poor sections of the population compared to richer groups. A number of points of entry for corruption emerge in taxation, customs, and budget and expenditure management. Many of the factors that "lure" individuals into corruption in these fields, and many of the corresponding counter-measures required are identical to those in other fields of public administration. Extra-budgetary transactions, extra-budgetary funds, special accounts and earmarked funds should not be encouraged. The very purpose of establishing these funds and accounts is to exempt some transactions from standard budgetary procedures and control.

There are many justifications for creating such funds and accounts, some honourable, others dubious. The result on the public expenditure management process is, however, the same. The legislative as well as the executive branch would have given up their rights to control a part of public resources. While it should not be assumed automatically that these resources will be misappropriated, misspent or stolen, it remains true that a lack of appropriate control procedures will create a fertile ground for corrupt behaviour. There is ample evidence to the effect that "little empires" were built with public resources through the use of extra-budgetary or/and earmarked funds. In some cases the bank accounts of these funds are flush with cash, when the Ministry of Finance lacks resources for financing general budget expenditures, and in the end has to borrow at considerable cost, or is obliged to incur arrears. Often times, the result is that expenditures of the general budget are not made and, therefore, goods and services are not delivered to the citizenry.

Extra-budgetary funds, special accounts and earmarked funds are good examples of areas, where political and administrative corruption are entwined. In some instances extra-budgetary funds are allocated funds set up for perfectly valid reasons and may function well in corruption-free states. However, as soon as these funds accumulate resources, they will be coveted for political reasons as well as for personal enrichment. It is a well-known fact that in many countries, including some of the most industrialised ones, political parties are financed through these funds. A certain level of "political tolerance" will not fail to foster an environment where corrupt activities for personal gain will have to be tolerated. It is, therefore, not surprising that the political will to fight administrative corruption, is lacking in many countries.

ThisDay Newspaper of 16th July, 2013 had this to say about the Nigerian budget process:

"When you are awarded a contract in a federal or state ministry, even when you did not

participate in the bid process, all you need is to know somebody who knows the Permanent Secretary, one who can speak not only his language, but the idiolect of corruption. They will tell you how to circumvent the system and how to get the certificate of job completion without even knowing the site of the project. They will tell you to speedily get your papers processed for payment. And then next year, that undone-but-paid-for- project gets back to the budget. And the circle begins all over again. At the end of the day, you wonder how such humongous sum (our federal budgets are now in Trillions, Yes, Trillions!!!) fail to transform our cities, towns and villages, year-in-year-out. You hardly know that the big man, big woman around the corner, have cornered the collective fortune of the people.

Ironically, the young men in the universities see these odious 'big men', as the symbol of successful entrepreneurs who must come to deliver the inaugural keynote addresses at their campus seminars, at their church cell groups, at their NGO Annual General Meetings, and even at the civil society events. Then the crooks mount the rostrums to make proclamations on probity, equity, sanity and all such neo-liberal ethos. And the innocent hapless people will clap for them, without knowing that many of them are the very cankerworms eating away their commonwealth."⁶⁶

The budget is the key instrument of the state for planning the scope and structure of public revenues and expenditure. Corruption in budget management leads among other things to an allocation of resources that lacks democratic legitimacy, which impacts negatively on growth and development. In budget and expenditure management, corruption is manifested in budget preparation, the use of funds and financial control. Corruption occurs particularly where internal and external monitoring and audit bodies are not well developed, and institutional monitoring is correspondingly weak. The importance of independent financial control bodies lies not only in the detection of corruption but the prevention through the mechanism of helping to strengthen the financial, legal and institutional framework for professional, legal, economically efficient, accountable and transparent fiscal management, and eliminate systemic weak points and points of entry for corruption. Furthermore, as an independent source of information for parliaments, they also help the latter perform their political control function, and support their political will-building processes.

The following are measures that can be undertaken to curb corruption in this sector:

Changes to budget preparation procedures: Introduction of an appropriate and comprehensive legal framework that guarantee the universality of the budget, at least restricts the emergence of extraordinary budgets and thus helps reduce the discretionary scope of decision-makers; strengthening of the rights of members of parliament in the

66 <http://www.thisdaylive.com/articles/fighting-corruption-the-nigerian-way/135423/>

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budget preparation process; improvement of transparency and accountability in preparation of the budget; establishment of a transparent budget system and performance-oriented budgets; minimisation or elimination of earmarking arrangements, and removal of subsidies.

Reform of the use of budget funds: Clear rules and administrative regulations for expenditure management by the public administration; increased monitoring of the sectoral ministries by the ministry of finance, through a special budget officer; separation of responsibilities for payment instructions and outgoing payment; summary of ongoing documentation and review of payments.

Reform of external financial control: Legislative institutionalisation of independent financial control; clear competences, adequate resources and explicit authority to expose corruption within any sphere of government activity, to identify weak points, to put forward recommendations on how to eliminate them, and to initiate sanctions; strengthening of parliamentary rights of control, strengthening of the legal foundations and institutionalisation of budget and accounts auditing committees and their cooperation with external financial control bodies; strengthening of the legal foundations for appropriate reporting duties of administrations to parliament and the public, timely publication of the budget, public access to information on the status of the use of the monies; strengthening of the legal and procedural bases for the institutionalised involvement of civil society organisations in the monitoring of expenditure and results, the work of audit bodies, the implementation of recommendations for the elimination of systemic weak points, and the follow-up of cases of corruption/sanctions.

Development cooperation activities for procedural development: Ongoing mutual monitoring of the individual procedural steps during the use of the budget funds by budget officers of the Ministry of Finance and the respective sectoral ministries; advisory services to help develop corruption-specific audit techniques and procedures in accordance with international standards, and to facilitate the planning and implementation of audits in high-risk agencies/areas; advisory services for professional and timely preparation and publication of audit results; introduction of telephone hotlines or similar procedures to take anonymous reports of cases of corruption; establishment of a monitoring system to facilitate the implementation of recommendations for eliminating systemic weak points.

The salt of the earth

In years past, the list of the institutions perceived as the most corrupt in Nigeria, according to a Corruption Survey Study, Final Report (June 2003) Institute for Development

Research, Ahmadu Bello University, Zaria (IDR, ABU Zaria) Corruption Rating of Nigeria Institutions - 2003 is shown below (with most corrupt being No 1 and the last being No 7).⁶⁷

Rating	Institution
1	Nigerian Police
2	Political Parties
3	National and State Assemblies
4	Local and Municipal Governments
5	Federal and State Executive Councils
6	Traffic police and Federal Road Safety Commission
7	Power Holding Company of Nigeria

Source: Institute for Development Research, Ahmadu Bello University, Zaria (IDR, ABU Zaria)

What is interesting is that most of the institutions listed above as most corrupt, are charged with the responsibility fighting corruption and crime. Transparency International's Global Corruption Barometer 2013 survey also found that in many countries the institutions people rely on to fight corruption and other crimes are themselves not trusted. Thirty-six countries view their national police force as the most corrupt, and in those countries an average of 53% of people had been asked to pay a bribe to the police to avoid a fine or jail. Another 20 countries view the judiciary as the most corrupt, and in those countries an average of 30% of the people surveyed said they had been asked to pay under-the-table to avoid harsh penalties. Political parties are considered the most corrupt institutions in the world, followed by police, the judiciary, congress or parliament and the appointed public officials that serve them, or rather that serve private interests.⁶⁸ Interestingly, the general expectation has always been that the judiciary should function in such a manner as to mitigate, if not eliminate, this depressing corruption poverty conundrum in the country. Unfortunately, this is becoming one huge forlorn hope. Once the moral foundation of society is destroyed, what is left for the righteous? In other words, what shall a country with a corrupt judiciary achieve in terms of socio-economic development? That the foundation of justice in Nigeria is already irretrievably destroyed by corruption, to the concern of many, was brought to the fore recently when the report of a survey on crime and corruption in the country was released. This was conducted by the Economic and Financial Crimes Commission and National Bureau of Statistics with the support of the United Nations Office on Drugs and Crime.

67 Nigerian Governance and Corruption Survey Study: Overall Summary Report, Zaria, Ahmadu Bello University, June. Institute for Development Research, 2003.

68 www.forbes.com/sites/kenrapoza/2013/07/09/transparency-international-spells-it-out-politicians-are-the-most-corrupt/

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According to the report, Socio-Economic Effects of Judicial Corruption in Nigeria, "Nigerian courts of law receive the biggest bribes from citizens among all institutions

On a scale of 1 to 5, where 1 means 'not at all corrupt' and 5 means 'extremely corrupt', Nigeria takes the lead again in the league of having the highest number of most corrupt sectors.

in which corruption is rampant", though it also indicated, for effect, that "among public officials, police personnel were most frequently alleged by respondents (58%) to request the payment of bribes followed by employees of PHCN and the Water Board (39%), Revenue officials (26%) as well as Customs (25%)." The executive summary of the survey particularly stressed that "though bribery in the judiciary was less frequent than in many other agencies, it requires the biggest transactions." Respondents to the survey conducted in

2007, on a sample of 2,775 enterprises randomly selected to represent businesses active in the country, and a response rate of 79.4%, representing 2,203 interviews recorded, said they have paid the biggest bribes to the courts-- an average of \$87 (₦13, 050) per transaction. More so, UNODC survey reveals that "for more than 70% of Nigerian businesses, crime and corruption constitutes the most serious obstacle to conducting business" in the country. Now, with a corrupt judiciary to boot, it means things have fallen apart with the resultant effect of the centre no longer been sure of holding.

It is most unnerving that in most corrupt countries of the world, the corrective agencies that are meant to assist the society in attaining purity are the most corrupt. Corruption, however, differs in its severity across different sectors and different institutions in different countries. Table 9.3 clearly shows how the institutions, which are meant to uphold and honour the law, happen to be the most corrupt and polluted, of all the listed institutions.

Table 9.3

SN	COUNTRY/ TERRITORY	POLITICAL PARTIES	PARLIAMENT/ LEGISLATURE	MILITARY	NGOS	MEDIA	RELIGIOUS BODIES	BUSINESS/ PRIVATE SECTOR	EDUCATION SYSTEM	JUDICIARY	MEDICAL AND HEALTH	POLICE	PUBLIC OFFICIAL/CIVIL SERVANTS
1	Brazil	4.3	4.1	2.7	2.9	3.1	2.8	3.0	2.9	3.4	3.5	4.0	3.3
2	Ghana	4.2	3.6	2.6	2.3	3.3	2.3	3.0	3.9	4.0	3.0	4.7	3.6
3	India	4.4	3.8	2.5	2.9	3.2	3.3	3.4	3.7	3.3	3.6	4.1	3.8
4	Indonesia	4.3	4.5	3.1	2.8	2.4	2.7	3.4	3.2	4.4	3.3	4.5	4.0
5	Korea Rep.	3.9	3.8	3.1	2.8	3.2	3.4	3.2	3.1	3.2	2.9	3.2	3.3
6	Malaysia	3.8	3.3	2.3	2.6	2.7	2.0	3.2	2.4	3.0	2.2	4.0	3.3
7	Nigeria	4.7	4.2	3.2	2.7	2.8	2.4	3.0	3.4	3.9	3.0	4.7	4.0
8	South Africa	4.2	4.0	2.0	3.2	3.1	2.3	3.5	2.7	3.2	3.6	4.4	4.1

Source: *Global Corruption Barometer Survey 2010*

On a scale of 1 to 5, where 1 means 'not at all corrupt' and 5 means 'extremely corrupt', Nigeria takes the lead again in the league of having the highest number of most corrupt sectors. Its political parties and the police are ranked as the most corrupt among the comparator countries where with a score of 4.7, an indication of very high corruption rate. Parliament/legislature, public officials and civil servants followed with a score of 4.2 and 4.0 respectively. The judiciary was the next in line of most corrupt institutions, followed by the education system. It is alarming that, the actors and players in the administration and governance of the state, who are required to uphold the rule of law are seen as the most corrupt, judged to be abusing their positions of power and acting in their own interests rather than for the citizens whom they represent and should serve. Religious institutions are seen as least corrupt around the world. However, people in a number of countries perceive even these institutions to be highly corrupt. In Israel, Japan, Sudan and South Sudan, religious bodies scored above four.⁶⁹

Many Nigerians will not also be surprised to see the rankings of the police as a highly corrupt institution. Nigeria lags behind in this with a score of 4.7 which is the least score among its comparators. In an article by Adaeze, the situation is explained further: "Moreover, I have never seen an institution, agency, or an organisation so much engraved with this monster called corruption like the Nigeria Police Force. This is no prejudice against police force but rather, an ostensible and pragmatic reality. More so, it is clear that the Nigerian Police Force, is the most unscrupulous organisation the general public has totally lost confidence in and disaffected with. The bad and embarrassing stories about the NPF is the same all over the country. It is no more news to hear about policemen

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gruesomely murdering innocent civilians just because of N20, or hearing about policemen's involvement in criminal activities, like arm robbery or dishonesty, empowering hard-hearted criminals with their weapons. The big question is: when do we get over all these? We will get over them when a people-oriented government takes centre-stage and re-organise the recruitment and performance of policemen as well as subject them to performance-monitoring group. By so doing, I think Nigerians will have a new ease of life over the police".⁷⁰

A National Survey study was conducted by a consortium of institutions in November and December of 2001, at the invitation of the Nigerian Ministry of Finance. The study focused on the opinion of public officials, households and enterprises, spread over six geo-political zones of the country on issues associated with government service-delivery and related corrupt tendencies.⁷¹ Household ratings of service provided by the public service indicated that on the overall, citizens were dissatisfied with the quality of public services delivered to them, but are particularly unhappy with the police, and the national electricity provider – The National Electric Power Authority (NEPA). Making up the second tier of defaulting institutions, in the opinion of households, are public health, water board and public education. Ironically, among the four services that achieved the highest ratings for good services, were the two that ranked poorly - public health and public education. The social welfare office and the post office (NIPOST) received some of the highest approval ratings. Interestingly, when public officials were likewise asked to evaluate the efficiency of national institutions, the assessments generally tallied with those of household and enterprise respondents. The police, NEPA, and political parties were described as very inefficient by half or more of the public servants, with municipal/local governments and members of the national and state assemblies trailing not too far behind. At the other extreme receiving high ratings were the Ministry of Health, the media, and non-governmental/community-based organisations, with more than 50% of the respondents suggesting that they are efficient or very efficient? Relatively good scores were also awarded to the Ministry of Education and the Central Bank. Overall, the study noted that there is genuine and sincere commitment to fight corruption on the part of the government. However, very few public officials were willing to take a principled stand against corruption. This suggests that there is ample room to provide incentives to public officials to report corrupt acts.

The Obasanjo government, as a way of directly addressing corruption, designed and entered into a service compact with all Nigerians known as SERVICOM. SERVICOM re-

70 <http://www.gamji.com/article5000/NEWS5214.htm>

71 Institute for Development Research. (2003). Nigerian Governance and Corruption Survey Study: Overall Summary Report, Ahmadu Bello University, Zaria

sulted from a report submitted by Dr Wendy Thomson and her team who did a diagnostic audit of the Nigerian system of service-delivery in the public sector, and came up with some recommendations. In brief, the philosophy of SERVICOM is that the Assembly of Ministers and permanent secretaries, as the apex executive team in the country, has the constitutional and moral responsibility to take on the challenge of service to the people. Whilst Section one of the service compact reads thus – “We dedicate ourselves to providing the basic services to which every citizen is entitled in a timely, fair, honest, effective and transparent manner”, Section Four, expects certain obligations from citizens. In Section Five, the executive asserts its belief that the country can only realise its full potential when citizens start to receive prompt and efficient services from the state and this they are determined to achieve. However, in the many years since the Obasanjo government took over in 1999, service delivery is still poor in the country, whilst the burden of day-to-day living is becoming harder on the people due to the economic reforms. Though significant improvement has been recorded in the telecommunications sector, this has been attributed to the privatisation logic rather than to the war on corruption. It is now being expected that the privatisation carried out in the power sector will do the same since. Slight improvements have already been noticed in the provision of electricity. Similarly, the state of federal highways, clean water, sanitation, quality education, healthcare, repair of urban/rural roads are still awaiting the fulfilment of the service compact. Again, the attitude of public servants to service-delivery is still cosmetic rather than genuine⁷².

Action Speaks Louder Than Words

It has been discussed that public officials were able to engage in corrupt practice essentially for three main reasons. First, the lack of an adequate legal framework accompanied by relevant rules and regulations, which is easily exploited by astute officials who can engage in quasi-illegal activities without the risk of being punished. Second, and by far the most frequent, the blatant abuse of discretionary powers. Thirdly, collusion among corrupt officials to circumvent checks and balances built into the system. There are very few countries without a legal framework, regulating public expenditure management. However, it is often lacking in coverage and/or is not detailed enough. Regarding the lack in coverage, a case in point is the extensive use of extra-budgetary funds, earmarked funds and special accounts, while the legal framework might cover, adequately, transactions effected through the general budget, those effected outside of it are not covered in a way, which would preclude the possibility of officials, engaging in quasi-illegal activities. It is also the case when the government is a seller of natural resources, state property or other marketable goods to the private sector. In countries in transition, this is perhaps

72 Dr. Osita Agbu, Senior Research Fellow Nigerian Institute of International Affairs Lagos. (October 2004). Transparency International Anti-Corruption Crusade in Nigeria: The Challenge of Delivery

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the most fertile ground for misappropriation of public resources, because of the lack of an adequate legal framework. A legal framework for Public Expenditure Management (PEM) should combine legal principles with economic consideration, as well as management rules. It should ensure that public resources are used within the limits set by the Legislative Branch and in compliance with the allocation schedule authorised in the budget document. Therefore, changing or amending the budget legislation is always a lengthy and painstaking process. The real or perceived difficulties in doing so might be an explanation why it often becomes inadequate in coverage or in details. These difficulties should not be exaggerated, however, because in many countries, and even in the most developed ones, the legal framework does not always provide a complete coverage for all the PEM functions. Rather, some functions are covered by regulations and administrative instructions issued on an ad hoc basis by the Executive Branch. Regulations and administrative instructions can be issued simultaneously with the annual budget law and can remain in effect for a year or for several years as long as they are included in the successive budget laws.

The Public Expenditure System is defined as a delivery system, the objective of which is to deliver goods and services to the citizenry. The elements of the system are procedures, processes, and techniques and operators of the systems, i.e. public officials. Therefore, if we want to lessen corruption, we should propose measures which would be aimed at the system and/or at the operators of the system. In general, systems can always be improved by introducing more checks and balances. However, as there is a trade-off between complexity and the ability to operate a system with ease, the multiplication of checks and controls should not be treated lightly. Nevertheless, reinforcements in four areas (procedures, processes, and techniques and operators of the systems) would make it more difficult for officials to engage in corrupt activities. The commitment phase is crucial in the PEM process. During that phase, resources are committed for a purpose and thus will be unavailable for others. A control exercised by an official, independent from the official of the spending ministry, who is authorised to make commitments, would certainly lessen the possibility of corrupt behaviour at this stage. In some countries, notably in France and Belgium, an official of the Ministry of Finance assigned to a spending ministry oversees the commitment process and verifies not only the legality of commitments made by the departmental authorising officer but also makes a judgment on the effectiveness and efficiency of the committed expenditure. Commitment, verification, and the issuance of payment orders are administrative functions. Only payment is a financial function when money has to be paid out from public coffers. A basic principle of financial administration is that the official responsible for making payments should not be the same authorising the payment. Also, the official, disbursing public monies should have the power to check that all previous operations (commitment, verification and the issuance of payment orders) were carried out according to rules and regulations.

It is also important that the official, making the payment is from the Ministry of Finance and not from the spending ministry. Thus, the possibilities of collusion between officials will be reduced. The maintenance of adequate accounting records for each transaction is a safeguard against corruption. If each transaction is properly accounted for and adequately documented, and records are kept by the spending units for each phase of the transactions, corrupt officials will find it more difficult to divert public resources for private use. In any event, if they engage in such activities, they will know that subsequent auditing will reveal their corrupt activities. Control, audit and evaluation are viewed as valuable instruments for improving government fiscal management and for increasing the efficiency in the allocation of public financial resources. Current budgetary practices in many countries suggest that after the completion of the budgetary cycle, budget preparation and implementation results must be assessed retrospectively so that officials can be held accountable for the results achieved. Traditionally, parliamentary scrutiny of whether the executive had used public funds in manners intended and approved by the legislators was defined narrowly, usually as compliance auditing.

The reinforcement of both traditional and Value for Money (VFM) auditing should be seen as essential measures against corruption

The reinforcement of both traditional and Value For Money (VFM) auditing should be seen as essential measures against corruption. The introduction or reinforcement of VFM auditing would be particularly important because it intervenes before resources are committed. Therefore, corrupt activities could be stopped before they would have an impact on the use of resources. There has to be an effective reform of socio-political and judicial rules which would lessen political corruption, because as long as political corruption is pervasive, efforts to lessen administrative corruption will not be successful. It is not realistic to expect public officials not to engage in corrupt behaviour when the head of state and his ministers are diverting public resources for their own benefit, or more widely to the members of the politically dominant group.

In discussing other measures, we, therefore, suppose that, indeed, such efforts are under way. The first line of defence against administrative corruption is a good public administration based on an efficient and professional civil service. Such civil service would not only be a safeguard against corruption, but a guarantee that goods and services would be delivered efficiently. The establishment of a professional civil service would require that hiring decision and promotions should be based strictly on merit and that remunerations should be based on a realistic pay scale, at a level which would not oblige civil servants to accept bribes in order to make ends meet. The second line of defence against administrative corruption is the strict enforcement of rules and regulations. If an official knows that rules and regulations are strictly and consistently enforced, he/she will less likely engage

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in corrupt practice. The swift imposition of criminal penalties, where justified, will, of course, have the same effect. A third line of defence against administrative corruption is legal action against those, who enter into illegal transactions with public officials, i.e., those who pay the bribes. There seem to be no good reason to spare such people since they know perfectly well that by paying bribes they initiate and sustain illegal activities.

When discussing how to lessen corruption, the argument is sometimes made to the effect that a centralized management is preferable to a decentralised one because it offers more safeguards against corruption. In a slightly different form the argument is also used against the decentralisation of PEM. It is true that decentralisation, if not accompanied by appropriate changes in the control system, would increase the risk of corruption in the system. However, there is no reason to believe that a dedicated control system cannot be set up at any level of PEM. Moreover, information technology available today offers the possibility to have accounting information in real time on any transaction at any level of the PEM process. The danger lies in the lack of an appropriate legal framework or regulations which would prescribe the obligations of officials at the decentralised level. Often times, processes (not only PEM processes but others as well) are decentralised without any modifications of relevant regulations. In these cases "everything goes." Needless to say, in an environment of pervasive political corruption, the possible effects of decentralisation on corruption, is not really an issue.

We should all be messengers of hope for Nigeria even with the protracted and deepening stench, and decadence in the country, with the seemingly undying nature and the "immortality" of corruption, pervading the heart of our politics, polity, and ways of life. Bending the law, manipulating the system or evading punishment – and getting away with it – define impunity. Impunity is anathema to the fight against corruption and, especially in the judiciary and law enforcement sectors, is a direct challenge to the rule of law. But rooting out undue influence from government or business interests in the legal system, or detecting bribery, is difficult. That 31% of people, who came into contact with the police and 24% of people who came into contact with the judiciary in the previous 12 months, reported paying a bribe, as contained in the 2013 CPI, only underscores the unjust and persistent nature of impunity for corrupt acts. There is much that can be done to end impunity. Emphasising the appropriate political, legal and social sanctions for those, who enjoy impunity for corruption, Transparency International's efforts increase accountability and make it ever more difficult for individuals, corporations and others to get away with corruption.

The government and the individuals of all countries should create jobs for the masses. Those countries that lack technological development should invite other companies to help them. When these companies are established in the countries, more job opportunities

will be created for the masses. When the masses make money from those companies, they can start-up their own businesses. This will result to creating more jobs for the citizens of the country. Skills acquisition programmes should be held in many communities of the country. This will make the people acquire skills that will help them in their lives. The people that gain those skills will expand with time and start employing others. They can have their mentors from the industries, who will always listen to them, and that is why mentoring is important. Unemployment in Nigeria for instance is growing even though the government of the country is working hard to close the gap. The problem of unemployment is rampant in many countries of the world. Education should be adopted by the government to reduce corruption. The security departments should be given good education. When they are educated, they will be paid well by the government. This will also make them understand that taking bribes from motorcyclists and motorists is a bad act. The policemen are the most that indulge in this act. In eight of the nine most corrupt nations in 2013, more than 80% of residents considered the police to be corrupt (US Today News). The education will be both formal and informal. The education should be expanded down to many communities. This teaching will address the negative effects of corruption.

Modern technology, which involves the use of electronic monitors to access all the activities going on in all companies, can also be effective. There should be installation of the devices to fetch out those that engage in illegal activities. This will be managed by independent bodies. With the help of these monitors, those that perpetuate illicit acts will be brought to book. Effective anti-corruption bodies to fight corruption can be a solution. Their duty is to fight corruption in the country and put things right. EFCC and ICPC need to rise up to the task of settling corruption issues in the country. The problem with these anti-corruption bodies is that they do not carry out their functions well. They are too weak and not entirely independent. Any country with a strong anti-corruption body will win the war against corruption.⁷³

Corruption has affected many Nigerians so adversely that they now think of morality as a concept that cannot be found in business, politics, religion and socio-cultural relationships. It is important, therefore, that morality be restored to its rightful place within the nation's life system

Hope is very essential in life. People will surely continue to live in hope, even when we die in despair. Barrack Obama talks of the audacity of hope so it will not be out of place to say that there is hope of finding a way out of corruption in Nigeria; the rebranding project, therefore, becomes critical. Here it must be acknowledged that corruption is

73 <http://uzochukwumike.hubpages.com/hub/corruption-solutionandcuses>

a vice and to purge a vice, virtue is needed. Since moral depravity is what engenders corrupt practices, it follows, therefore, that an elevated moral life will quell participation in corruption. A morally sanitised individual will be less vulnerable to the courtship of corrupt companies. Also, a man of virtue, as Socrates, Plato and Aristotle believe, is a man of means. This means that extreme qualities – greed, covetousness and avarice – will not be part of his nature. In this manner, he is less likely to be troubled or worried by his lack of abundance. He is most likely to be contented with whatever he has. The virtues of hard work, dignity, integrity and honour should also be taught both at school and at religious gatherings. And the nation should ban all forms of recognition, award, and titles for men or women of questionable integrity. When all these are implemented and a veritable way of honouring people with outstanding achievements that are ethically sound, are put in place; this orientation and culture of corruption will die a natural death, as no one will want to be a social outcast. So, there is hope and there will continue to be hope.

It was Napoleon Hill in his forerunning book, *Think and Grow Rich*, who argued that people tend to shrink from crime on their first contact with it. But, through the passage of time, as it sticks with them, they end up embracing it and living by it⁷⁴. Similarly, Nigeria has acquired many negative values which have effectively come to replace the good ones overtime. To this day, most socio-cultural, political and economic evil, originating from Africa bear Nigerian trade mark. Some of these negative values, include ritual killing. Many now engage in all sorts of rituals, using human parts, blood etc., to acquire wealth. Others engage in all sorts of shady, obscene and occult practices for the same reason. Ochulor declares that “To many Nigerians, the only thing that matters is money or wealth; any how you get it is no body’s business”⁷⁵. Also, many have taken vocation in dirty and inhumane activities like prostitution, armed robbery, hired assassination and justice perversion. Many prostitutes and judges have been known to defend what they do on the ground that it was the source of their living. And many of them indeed end up acquiring enormous wealth and big connections. These need to be portrayed in a negative light so as to deter culprits. Again, let us not forget that practices such as favouritism, nepotism, blackmail, bribery, contract scams, fraud, election rigging, looting, embezzlement, forgery, impersonation etc., are also some other vices which have taken root of acceptance in Nigeria. In order to get rid of corruption, which is the mother of them all, there is need to purge all these vices, away by finding ways of replacing them with positive values. From this premise, it can be said that those moral virtues that are currently lacking within the Nigerian system

74 Hill, Napoleon. (1996). *Think and Grow Rich*. Benin City: Rhema Publishers.

75 Ochulor, C. L. (2007). *Philosophy: A Fundamental and Basic Science*. Calabar: Focus Prints & Publishers.

should be revived and injected back into the system with a view to purging the country of corrupt practices. Developing one's mind is important. There are positive results in developing the positive powers of the mind which is the engine room of human development. Other measures include specialisation and education which give one an edge and qualification. Also, being at alert to notice opportunities when they arise; being diligent and persistent, knowing of course that nothing good comes easy; and finally, imbibing to the full, the noble qualities of self-discipline, positive attitude and good communication skills. Nigerians currently do not see morality as having any space within the socio-political and economic life-wire of the nation. Ochulor testifies to this when he said this about corruption, "it has affected many Nigerians so adversely that they now think of morality as a concept that cannot be found in business, politics, religion and socio-cultural relationships"⁷⁶. It is important, therefore, that morality be restored to its rightful place within the nation's life system, through campaigns, speeches and programmes.

Nigerians currently see politics as a way of making quick money from the government treasury. Iwara and Effiong in their essay, "Corruption and National Development in Nigeria: the Way Forward", gave an almost endless list of political office holders involved in different lootings, embezzlements and scam⁷⁷. It is important to make politics less glamorous in order to curtail this. Programmes should be developed aimed at making Nigerians patriotic at all levels - this will make them put the nation first in everything they do. Nigerians should be taught the virtue of altruism from childhood. This will drastically reduce self-centredness that encourages individual participation in corrupt acts, a broad-based re-orientation should be carried out to sensitise Nigerians on the dangers --short term and long term-- and negative impacts of corruption both in the life of the country, the individual and posterity at large. There is need for a public motivated revolution aimed at dismantling the stronghold and every citadel of corruption in Nigeria such that took place in China, France, and Cuba to mention just a few. Radical changes or what Kuhn calls paradigm shift⁷⁸ should be encouraged and enforced in all the sectors of the nation's life. This will demolish all the ugly cultures and practices wherever they thrive and introduce a breath of fresh air in all our systems. Finally, and most importantly, the lost African values, which have been completely eroded in the wake of western modernisation should be brought back and

Nigerians should be taught the virtue of altruism from childhood. This will drastically reduce self-centredness that encourages individual participation in corrupt acts

76 Ochulor, C. L. *Philosophy: A Fundamental and Basic Science*. Calabar: Focus Prints & Publishers, 2007.

77 Iwara, U.E. and Effiong O.B. (2007). *Corruption and National Development in Nigeria: the Way Forward*. Sophia African Journal of Philosophy and Public Affairs.

78 Kuhn, T. *The Structure of Scientific Revolution*. International Encyclopedia of Unified Sciences.

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instilled in Nigerians so that in their dealings and interactions, they will never again forget the importance of morality. This will be a strong back-bone for the nation as it seeks recovery from the decadence of corruption which is the most important revolution that is stopping Nigeria from attaining greatness.

CHAPTER TEN

Please help, we are drowning

Weak and failing states pose a serious threat to the entire world.

- The Fund for Peace

- The basket case debate
- Calibrating the abyss
- The slippery road to hell
- Neighbour against neighbour: The rule of gun
- Reluctant friends
- Ineffective solution

The basket case debate

We should take a deep breath, take a step backwards and restate the purpose of our journey so far. The objective as we set out is to hold a mirror up to the majority of the people so that all Nigerians can look at the country from a vantage position. Those that were grown enough at Independence will no doubt look at the Nigeria of today with nostalgia, while those not as old and have not travelled to developed countries, can only imagine the ideal model of a nation that they wish for their country to be. To enable us do this effectively, we have to benchmark the country against its peers at the time of its Independence, so that the country can be gauged in terms of how it ranks with its comparator nations. There are so many issues that arise when the benchmark is tilted against the country, making it foggy to the extent that ranking it with the comparators may be inappropriate and meaningless. One of the issues is the status of Nigeria as a failed or failing state. It is very easy to look at the plethora of challenges that befell the country from the Boko Haram insurgency, the decayed infrastructure, poverty, number of children not in school, poor health services, the high level of

The mental and psychological decay in Nigeria is unbelievable. Future generations have been scared beyond belief. What is an abomination elsewhere is the norm in Nigeria.

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corruption among other and conclude that Nigeria is a failed state, meaning automatically that it is wrong to even rank it amongst countries like Singapore and South Korea, that have transformed from Third World to First World nations. Yet, in spite of these challenges listed, the country is moving forward and has a lot of potential. For instance, it has a democratic government and a somewhat free press; it is a proud member of the Oil Producing and Exporting Countries (OPEC), contributes to peace-keeping operations in many countries and is looked at as the giant of Africa, amongst many other things. In fact, the country has recently been pronounced as having the largest economy in Africa. The positive strengths and very strong weak spots that the country attracts confuse the debate that goes on every day in homes, offices, social media, in and out of Nigeria. This debate can best be illustrated by the spat between some Nigerians on Nairaland Forum¹ regarding the question: Is Nigeria a failed state? The debate which was opened on December 17, 2010 following Nigeria's ranking as No 14 in the 2010 Failed State Index published by The Fund for Peace² attracted 5, 517 opinions and views. Three extracts from these commentaries will illustrate the emotions and the entrenched views that they generates:

bidemi12: "It seems most of you do not understand the dire situation Nigeria is in. There is no foundation for development and I am not talking of infrastructure here. The mental and psychological decay in Nigeria is unbelievable. Future generations have been scared beyond belief. What is an abomination elsewhere is the norm in Nigeria. Think about it. If someone you know contests an election and wins, the first thing that pops into the average Nigerians head is, "man, e don hammer". The thought that should pop up is "how do I make him/her accountable", (which should be (the norm), but we have been scarred psychologically to the extent that the thought is instinctive. Nigerians have accepted corruption as a way of life. Another problem is denial. The average Nigerian hates the truth and will fight tooth and nail to live in denial with the excuse that "God dey" or "you are not patriotic enough". Meanwhile his/her circumstance is worsening but prefers to turn a blind eye and keep "hope" alive. My Guy, the country is failing rapidly with the brakes gone."

This view accepts that things are bad and so the country is not a failed state but is rapidly failing. A response to the above offers a good consolation as it builds on the Nigerian strength of hope by offering an implicit benchmark with other states and concludes that although things are bad, life is still tolerable in comparison to the typical failed state.

zoraro: "@bidemi12, I understand your frustration, the problems of Nigeria frustrate me

1 <http://www.nairaland.com/569834/debate-nigeria-failed-state/2#7358057>

2 <http://ffp.statesindex.org/rankings-2010-sortable>

too. I will however take the present corruption, decay, stagnation, insecurity over war, refugees, starvation etc. (with hope). At least, there is a chance that things might change for the better, however small or tiny that chance is. The pains of a failed state are 100 times more than what Nigeria has today. The list includes every country in the world. It didn't say that the top 14 are the failed states”.

Many people shared this view in the debate, giving very substantive reasons to buttress their position. However, there are many also who take the extreme position that Nigeria is a failed state, as epitomised by one very sharp response by Olakintanji, who said:

“What do you say of a nation when everything is in shambles? Ill-equipped schools and hospitals, striking lecturers, marginalising leaders, crumbling economy, militancy, insecurity, bribery and corruption, rigging of elections. Is Nigeria not characterised by all these? In fact, Nigeria has failed woefully.”

Just before the debate ended, the issue of Nigeria being a failed state or not was put to a poll. Although only 118 responded, 71 (representing 60%) voted “Yes” and 47 (representing 40%) voted “No”³. So the failed state debate is a fierce one. The vote, although made up of a small sample of people, nevertheless sets out the depth of feeling that the people have about the direction that the country is going. Things have reached a point that everyone, including children, knows that the country has very severe challenges as nothing seems to be going as it should. Some people argue that the country has a leadership problem, while others say that the people get the leadership they desire. As the cause and effect debate ranges, it is apt to review for posterity the key question as to whether or not as things stand now, Nigeria can be classified as a failed state.

The international community has become increasingly concerned with the phenomenon usually classified as “state failure.” Definitions of the failed state vary, but, unsurprisingly, most commentators define failed states in opposition to the successful states that are presumed to be the norm. From Haiti in the Western hemisphere, to Somalia, Sudan, Liberia in Africa and Cambodia in Southeast Asia, a disturbing new phenomenon is emerging - the failed nation-state, utterly incapable of sustaining itself as a member of the international community. Civil strife, government breakdown, and economic privation are defining some states and their people. As those

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3 <http://www.nairaland.com/569834/debate-nigeria-failed-state/2#7358057>

states descend into violence and anarchy, they imperil their own citizens and threaten their neighbours through refugee flows, political instability, and random warfare. The massive abuses of human rights, including the most basic of rights - the right to life - are distressing enough, but the need to help those states is made more critical by the evidence that their problems tend to spread. On the other hand, successful nation-states control defined territories and populations, conduct diplomatic relations with other states, monopolise legitimate violence within their territories, and provide adequate social goods to their citizens.

The concept of "the state" is complex and controversial in and of itself, and scholars have long sought to distinguish between varieties of states and varieties of sovereignty. The

There is ample cause to worry as there are red flags that continue to signal the dangers of an impending state failure if the nation's political and royal fathers do not act quickly to pull the country off the cliff where it now perilously hangs

Montevideo Convention classically defines statehood thus: "The state should possess the following qualifications: (a) a permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relations with the other states".⁴ Failed states, with their dark mirror image, lose control over the means of violence, and cannot create peace or stability for their citizens or control their territories. They cannot ensure economic growth or any reasonable distribution of social goods.⁵ They are often characterised by massive economic inequities, war-lords, and violent competition

for resources. Recent examples of failed states are familiar to us all, from the total collapse of state institutions in Somalia and the disintegration of the former Yugoslavia to the varied crises in Rwanda, Haiti, Liberia, Congo, Sierra Leone, and Afghanistan. Those up a notch on the chain of failed states are the numerous "weak" or "failing" states, which together constitute much of sub-Saharan Africa, significant chunks of Central Asia, and parts of Latin America and South Asia. These "weak" states are tremendously varied, and may in some cases combine fragile governance structures with substantial regional influence and wealth. In this class, Afghanistan, Syria, Iraq, Pakistan should now naturally fall in as they all teeter in common on the precipice, at a seemingly perpetual risk of collapse into devastating civil war or simple anarchy⁶.

4 (1933). Convention on Rights and Duties of States Art 1, 49 Stat 3097, 3100, 165 LNTS 19, 25 For classic functional definitions of statehood, see, for example, Max Weber, *Essays in Sociology* 77, 78 (Oxford 1946) (H.H. Gerth and C. Wright Mills, eds and trans)

5 Robert I. Rotberg, (Summer 2002). *The New Nature of Nation-State Failure*, 25 Wash Q 85, 85-87

6 Robert Cooper. (Atlantic Monthly 2003). *The Breaking of Nations: Order and Chaos in the Twenty-First Century* 16-18.

State failure creates numerous challenges for the international system. Some challenges are humanitarian, as state failure generally is both fuelled by and creates overwhelming human need. The poverty, disease, violence, and refugee flows accompanying state failures strain foreign aid budgets and philanthropic resources. Some challenges relate to international security, especially since September 2011 (9/11) after the terrorist attack on the World Trade Centre, New York, failed states have been recognised as breeding grounds for extremism and staging points for organised terrorist groups. According to Eizenstat, Porter, and Weinstein, the gravest danger lies in the weakness of other countries, like the kind of weakness that has allowed opium production to skyrocket in Afghanistan, the small arms trade to flourish throughout Central Asia, and Al Qaeda to exploit Somalia and Pakistan as staging grounds for attacks. In a failing state, terrorists thrive, as those who are poorest and most vulnerable, locked in geo-political problems, and have been deprived of their economic and political benefits for generations, will always provide fertile ground for terrorist recruiters.⁷ In the absence of effective governmental control, both violence and illicit economic activity flourish, and both terrorist groups and the leaders of rogue states take ready advantage of the prevailing anarchy. Failed states also pose legal challenges. In an international order premised on state sovereignty and state consent, societies lacking functioning governments create several problems. They cannot enter into or abide by treaties; they cannot participate in the increasingly dense network of international trade, environmental, or human rights agreements and institutions; they cannot enforce contracts between their citizens and foreigners or protect settled property interests. For these reasons and more, failed states have increasingly been viewed as a cause for concern by the international community.

Despite the bloody nose that Boko Haram gives to the Nigerian military in the Northeast of the country, with the bombings all over by the group, it cannot be denied that the federal government is in full control over the means of violence, maintains peace and stability over the citizens and control its territories.

In practical terms, the road to state failure is marked by several revealing signposts. On the economic side, living standards deteriorate rapidly as elites give financial rewards only to favoured families, clans, or small groups. Foreign exchange shortages provoke food and fuel scarcities and curtail government spending on essential services and

7 Eizenstat, Porter, and Weinstein (Dec 2003). *Rebuilding Weak States*, Foreign Aff at 136 (cited in note 1) African Studies Center, Transnational Institute, Coimbra University Center of Social Studies, and Peace Research Center-CIP-FUHEM, *Failed and Collapsed States in the International System* 4 online at <http://www.tni.org/reports/failedstates.pdf> (visited Sept 18, 2005) Daniel Thurer, *The "Failed State" and International Law*, 81 *Int'l Rev Red Cross* 731,733-36 (1999); Helman and Ratner, 89 *Foreign Policy* at 4-5 (cited in note 2)

political goods. Accordingly, citizens see their medical, educational, and logistical entitlements melt away. Corruption flourishes as the ruling class systematically skims the few resources available and stash their ill-gotten gains in hard-to-trace foreign bank accounts. On the political side, leaders and their associates subvert prevailing demo-

On the extreme, Nigeria is not at all a failed state. It is not even by any stretch of imagination a failing state by definition.

cratic norms, coerce legislatures and bureaucracies into subservience, strangle judicial independence, impede civil activities, and gain control over security and defence forces. They usually patronise an ethnic group, clan, class, or kin, making other groups feel excluded or discriminated against, as was the case in Somalia and Sierra Leone in the 1970s and 1980s. Governments that once appeared to operate for the benefit of all the nation's citizens are perceived to have become partisan. As these two paths converge, the state provides fewer and fewer services.

Overall, ordinary citizens become poorer as their rulers become visibly wealthier. People feel preyed upon by the regime and its agents - often underpaid civil servants, police officers, and soldiers fend for themselves. Security, the most important political good, vanishes. Citizens, especially those who have known more prosperous and democratic times, increasingly feel that they exist solely to satisfy the lust for power and financial greed of the leaders. Meanwhile, corrupt despots drive grandly down city boulevards in motorcades, commandeer commercial aircraft for foreign excursions, and put their faces prominently on the local currency and on oversize photographs in public places. President Mugabe of Zimbabwe, for example, purchased 19 expensive armoured limousines for his own motorcade before re-election earlier in 2014.

In the last phase of failure, the state's legitimacy crumbles. Lacking meaningful or realistic democratic means of redress, protesters take to the streets or mobilise along ethnic, religious, or linguistic lines as small arms and even more formidable weapons are cheap and easy to find. Historical grievances are readily remembered or manufactured because the spoils of separation, autonomy, or a total takeover are attractive, making the potential for violent conflicts grow exponentially, as the state's power and legitimacy recede. If preventive diplomacy, conflict resolution, or external intervention cannot address this process of disaffection and mutual antagonism, the state at risk can collapse completely (e.g. Somalia), break down and be sundered (e.g. Angola, the DRC, and Sudan), or plunge into civil war (e.g. Afghanistan and Liberia). The state may also lapse and then be restored to various degrees of health by the United Nations (e.g. Bosnia and Cambodia), a regional or sub-regional organisation (e.g. Sierra Leone and Liberia), or a well-intentioned or hegemonic outside power (e.g. Syria in Lebanon, Russia in Tajikistan). A former colonial territory such as East Timor can be brought back to life by the efforts and cash infusions

of a UN-run transitional administration.⁸

It is clear from all that has been said that on the extreme, Nigeria is not at all a failed state. It is not even by any stretch of imagination a failing state by definition. Nigeria, as a nation-state (person under international law) is absolutely qualified to be classified as a successful state as defined. As a nation-state, it has a quantifiable and permanent population, although its census has always been disputed and the population in the final analysis is based on estimates. The country incontrovertibly has a defined territory and boundaries that are not under threat in any form or manner. Nobody will doubt that the country has a very stable government. The three tiers of government – the federal, state and the local governments – are indefatigable even though the federal government is too powerful and the federating states are extremely weak to give meaning to the nation-state as a federation, thus leading to the practice of a centralised unitary government by default.

Failure of a nation-state looms when violence cascades into all-out internal war, when standards of living massively deteriorate, when the infrastructure of ordinary life decays, and when the greed of rulers overwhelms their responsibilities to better the lot of their people and surroundings.

The local government is virtually inactive and has been reduced to serving as Automated Teller Machines (ATMs) to politicians, local chiefs and godfathers. Corruption at the three levels of government is legendary, making them virtually incapable of delivering democracy dividends to the people as is expected of a successful government. None of these, however, takes away the fact that there exists a strong government. Above all, Nigeria is a proud and well respected member of the international community. Its capacity to enter into relations with other nation-states is unwavering. Despite the bloody nose that Boko Haram gives to the Nigerian military in the Northeast of the country, with the bombings all over by the group, it cannot be denied that the federal government is in full control over the means of violence, maintains peace and stability over the citizens and control its territories. The economy is growing and has become the largest in Africa, which means that the government is ensuring economic growth, although the growth is not producing enough jobs, is not inclusive and there is no equitable distribution of the national wealth, thereby generating a poor Human Development Index. Consequent upon the above, all the glib talk about Nigeria being a failed or failing state should be buried. Failed states are tense, deeply conflicted, dangerous, and bitterly contested by warring factions. In most failed states, government troops battle armed revolts led by one or more rivals. Official authorities in a failed state sometimes face several insurgen-

⁸ Robert I. Rotberg (July/August 2002) Failed States in a World of Terror Foreign Affairs

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cies, varieties of civil unrest, differing degrees of communal discontent, and a plethora of dissent directed at the state and at groups within the state. The absolute intensity of violence is not tantamount to a failed state. Rather, it is the enduring character of that violence (as in Angola, Burundi, and Sudan), the direction of such violence against the existing government or regime, and the vigorous character of the political or geographical demands for shared power or autonomy that rationalise or justify that violence. This in turn defines the failed state. Failure of a nation-state looms when violence cascades into an internal war, when standards of living massively deteriorate, when the infrastructure of ordinary life decays, and when the greed of rulers overwhelms their responsibilities to better the lot of their people and surroundings.

A collapsed state is an extreme version of a failed state. It has a total vacuum of authority. A collapsed state is a mere geographical expression, a black hole into which a failed polity has fallen. When a state such as Somalia collapsed (or Lebanon and Afghanistan a decade ago and Sierra Leone in the late 1990s), sectional actors took over. They controlled regions and sub-regions, built their own local security apparatus, sanctioned markets or other trading arrangements, and even established an attenuated form of international relations. By definition, they are illegitimate and unrecognised, but some may assume the trappings of a quasi-state, such as Somaliland in northern Somalia. Within the collapsed state prevails disorder, anomic behaviour, and the kinds of anarchic mentality and entrepreneurial pursuits (especially guns and drug businesses) that are compatible with networks of terror.⁹ In spite of all that has been said, there is ample cause to worry as there are red flags that continue to signal the dangers of an impending state failure if the nation's political and royal fathers do not act quickly to pull the country off the cliff where it now perilously hangs.

Calibrating the abyss

Nation-states exist to provide a decentralised method of delivering political (public) goods to persons living within designated parameters (borders). Modern states focus and answer the concerns and demands of their citizens. They organise and channel the interests of their people, often but not exclusively, into furtherance of national goals and values. They buffer or manipulate external forces and influences, champion the local or particular concerns of their people, and mediate between the constraints and challenges of the international arena and the dynamism of their own internal economic, political, and social realities. States succeed or fail across all or some of these dimensions. But it is according to their performance - according to the levels of their effective delivery of the most crucial political goods - that strong states may be distinguished from weak ones,

9 Robert I. Rotberg. (2002) .The New Nature of Nation-State Failure: The Center for Strategic and International Studies and the Massachusetts Institute of Technology.The Washington Quarterly

and weak states from failed or collapsed states. Political goods are those intangible and hard to quantify claims that citizens make on states. They encompass expectations and conceivable obligations, inform the local political culture, and together give content to the social contract between the ruling class and the ruled that is at the core of the relationship between the government and citizens.

There is a hierarchy of political goods and none is as critical as the provision of security, especially human security. Individuals alone, almost exclusively in special or particular circumstances, can attempt to secure themselves, or groups of individuals can come together to organise and purchase goods or services that maximise their sense of security. Traditionally, individuals and groups cannot easily or effectively substitute private security for the full spectrum of public security. The state's prime function is to provide that political good of security - to prevent cross-border invasions and infiltrations, and any loss of territory; to eliminate domestic threats to or attacks upon the national order and social structure; to prevent crime and any related danger to domestic human security; and to enable citizens resolve their disputes with the state and with their fellow inhabitants without recourse to arms or other forms of physical coercion. The delivery of a range of other desirable political goods becomes possible when a reasonable measure of security has been sustained. Modern states provide predictable, recognisable, systematised methods of adjudicating disputes and regulating both the norms and the prevailing mores of a particular society or polity. The essence of that political good usually implies codes and procedures that together constitute an enforceable rule of law, security of property and inviolable contracts, a judicial system, and a set of values that legitimise and validate the local version of fair play.

Another key political good is to enable citizens participate freely, openly, and fully in politics and the political process. This good encompasses the essential freedoms - the right to compete for office; respect and support for national and regional political institutions, like legislatures and courts; tolerance of dissent and difference; and fundamental civil and human rights. Other political goods typically supplied by states (although privatised forms are possible) and expected by their citizens, include medical and health care (at varying levels and costs); schools and educational instruction (of various kinds and levels) - the knowledge good; roads, railways, harbours, and other physical infrastructures - the arteries of commerce; communications infrastructures; a money and banking system, usually presided over by a central bank and lubricated by a national currency; a beneficent fiscal and institutional context within which citizens can pursue personal entrepreneurial goals and potentially prosper; the promotion of civil society; and methods of regulating the sharing of the environmental commonality.

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Together, this bundle of political goods, roughly ranked, establish a set of criteria according to which modern nation-states may be judged as strong, weak, or failed. Strong states

Strong states are places of enviable peace and order...Weak states typically harbour ethnic, religious, linguistic, or other inter-communal tensions that have not yet thoroughly become overtly violent.

obviously perform well across these categories and with respect to each, separately. Weak states show a mixed profile, fulfilling expectations in some areas and performing poorly in others. The more poorly weak states perform, criterion by criterion, the weaker they become, and the more that weakness tends to edge towards failure, hence the sub-category of weakness that is termed failing. Many failed states do badly in each of the tests outlined above. But they do not necessarily have to do badly in all of them to fail overall, particularly since satisfying the

security good weighs very heavily, and high levels of internal violence are associated directly with failure and the propensity to fail. Yet, violence alone does not condition failure, and the absence of violence does not necessarily imply that the state in question has not failed. It is necessary to judge the extent to which an entire failing or failed profile is, less or more than its component parts. Strong states unquestionably control their territories and deliver a full range and a high quality of political goods to their citizens. They perform well according to indicators like GDP per capita, the UNDP Human Development Index, Transparency International's Corruption Perception Index, and Freedom House's Freedom of the World Report. Strong states offer high levels of security from political and criminal violence, ensure political freedom and civil liberties, and create environments conducive to the growth of economic opportunity, the rule of law prevails, judges are independent, road networks are well maintained, telephones work, mails and e-mails arrive quickly, schools, universities, and students flourish, hospitals and clinics serve patients effectively etc.

Overall, strong states are places of enviable peace and order. Weak states include a broad continuum of states that are inherently weak because of geographical, physical, or fundamental economic constraints; basically strong, but temporarily weak in some areas because of internal antagonisms, management flaws, greed, despotism, or external attacks; and a mixture of the two. Weak states typically harbour ethnic, religious, linguistic, or other inter-communal tensions that have not yet thoroughly become overtly violent. Urban crime rates tend to be higher and increase. In weak states, the ability to provide adequate measures of other political goods diminishes, physical infrastructural networks deteriorates, schools and hospitals show signs of neglect, particularly outside the main cities. GDP per capita and other critical economic indicators fall, sometimes dramatically; levels of venal corruption are embarrassingly high and escalate¹⁰. It is because Nigeria ranks

10 Robert I. Rotberg *Failed States, Collapsed States, Weak States: Causes and Indicators*

very poorly in most of the areas listed above as explained in the human development, economic freedom, competitiveness index, the regional inequalities, the ethnic and religious tensions, the insurgency, the corruption index and in all other areas identified in this book, that many people have given up on their dear fatherland and classify it as a failed or failing state.

In order to make the discussion more scientific and data-based, there is need to review some measurement of state failure and see how the country fares in them. There is no consensus about how to measure state weakness. The best-known effort is the CIA supported State Failure (now Political Instability) Task Force, which uses an extensive data set to isolate variables associated with the onset of a "severe internal political crisis". Although considered the most accurate predictor of severe "state failure," it is not geared to measuring and analysing cases of more moderate or endemic weakness. More recently, the 2004 report of the Commission on Weak States and US National Security classifies 50-60 countries as "weak states" based on their failure to provide physical security, social welfare, and legitimate institutions. However, the report relies only on three indicators to define its cohort, omits any quantitative indicators for economic performance, and does not seek to rank states on relative performance. Two other indices actually rank state capacity – the Failed States Index and the Country Indicators for Foreign Policy (CIFP). The "Failed States Index" grades states according to their susceptibility to political instability and violence, using software that scans news, articles, US State Department reports, independent studies, and corporate financial filings, noting the number of positive and negative "hits" for each country. The effort focuses primarily on the risk of violence, rather than other aspects of institutional strength. The second is the Country Indicators for Foreign Policy (CIFP), Project of Carleton University, funded by the Canadian International Development Agency, which measures a state's ability to provide basic governance functions on the basis of 74 indicators across 10 dimensions of statehood. The metrics applied in the review of the Nigeria status is drawn from the Failed States Index (FSI), produced by The Fund for Peace¹¹.

The FSI is a critical tool in highlighting not only the normal pressures that all states experience, but also in identifying when those pressures are pushing a state towards the brink of failure. By highlighting pertinent issues in weak and failing states, the Failed States Index – and the social science framework and software application upon which it is built – makes political risk assessment and early warning of conflict accessible to policy-makers and the public at large. "The Failed States Index is an annual ranking of 177 nations based on their levels of stability and capacity. First published in 2005, the Failed States Index continues to be a globally recognised, frequently cited and widely praised

¹¹ <http://ffp.statesindex.org/rankings>

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research product of an independent non-governmental organisation that addresses key 21st century international security challenges". Leaders and thinkers from government, international organisations, NGOs, the academia and the media, use and refer to the Failed States Index because it is empirically based and has proven to be objective and relevant. Perhaps the most telling barometer of its credibility is the steady increase in the number of governments that respond to it, by seeking ways to improve their standing in the Failed States Index or using it as a component in making decisions related to foreign assistance. The Failed States Index is based on The Fund for Peace's proprietary Conflict Assessment Software Tool (CAST) analytical platform.

The CAST analytical platform is based on comprehensive social science methodology; data from three primary sources is triangulated and subjected to critical review to obtain final scores for the Failed States Index. Millions of documents are analysed every year, and by applying highly specialised search parameters, scores are apportioned for every country based on 12 key political, social and economic indicators and over 100 sub-indicators that are the result of years of painstaking expert social science research¹². Fault lines emerge between identity groups, defined by language, religion, race, ethnicity, nationality, class, caste, clan or area of origin. Tensions can deteriorate into conflict through a variety of circumstances, such as competition over resources, predatory or fractured leadership, corruption, or unresolved group grievances. The FSI attempts to capture all of these variables as they impact on the nation-state in order to highlight how a particular country is faring as successful, weak, failing or failed as the case may be. The reasons for state weakness and failure are complex but not unpredictable.

According to the Fund for Peace, it is critically important that the international community understands and closely monitors the conditions that create weak and failed states and be prepared to take the necessary actions to deal with the underlying issues or otherwise mitigate the negative effects of state failure. To have meaningful early warning, and effective policy responses, assessments must go beyond specialised area of knowledge, narrative case studies and anecdotal evidence, to identify and grasp broad social trends. An inter-disciplinary combination of qualitative research and quantitative methodologies is needed to establish patterns and acquire predictive value. Information is critical. Without the right data, it is impossible to identify problems that may be festering 'below the radar'. Decision makers need access to this kind of information to implement effective policies. In today's world, with its highly globalised economy, information systems and interlaced security, pressures on one fragile state can have serious repercussions not only for that state and its people, but also for its neighbours and other states halfway across the globe. Since the end of the Cold War, a number of states have erupted into mass vi-

12 Failed States Index 2013

olence, stemming from internal conflict. Some of these crises are ethnic conflicts, some are civil wars and others take the form of revolutions. Many result in complex humanitarian emergencies. Though the dynamics may differ in each case, all of these conflicts stem from social, economic, and political pressures that have not been managed by professional, legitimate, and representative state institutions. The Indicators covered under the Failed States Index are set out below.

What are the Indicators?		
Social		Mounting Demographic Pressures
		Movement of Refugees or Displaced Persons
		Legacy of Vengeance-Seeking Group Grievance
		Chronic and Sustained Human Flight
Economic		Uneven Economic Development on Group Lines
		Poverty and Sharp or Severe Economic Decline
		Legitimacy of the State
		Progressive Determination of Public Services
Political		Violation of Human Rights and Rule of Law
		Security Apparatus
		Rise of Factionalised Elites
		Intervention of Other States or External Actors

It is the comprehensiveness of the above indicators – covering social, economic and political aspects of nation-states – that makes it possible for users of the published information, particularly citizens of poorly ranked countries to misinterpret the true import of their low ranking. The detailed element of the three classes is the kind of information that not only explains the rankings themselves, but also the key areas that need to be addressed to mitigate problems and improve state functioning and stability. Properly interpreted, it can also help in the consideration of public and private sector investment priorities, as well as help private sector firms better identify and manage political and economic risks. The underlying data can also be used as a report card on how a government is meeting key challenges. In summary, the three key areas where the FSI is most useful are in the early warning and assessment of conflict, transnational threats, sustainable development and sustainable security.

The slippery road to hell

The Failed States Index measures the pressures experienced by countries and this makes it possible to assess their susceptibility to state failure. Ranking top on the FSI does not

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in and of itself mean that a country has failed; it simply means that country is the most at risk of failure. State failure, as a description in itself, is in many ways too loose. A country may, for example, experience levels of state failure in certain geographical areas (such as ungoverned or poorly governed territories). Mexico, for example, is nationally ranked 97th, yet it could be argued that the state has failed in some geographical areas, now under the influence of drug cartels and more than those controlled by the state itself. This is to say too that the mere fact that the North East of Nigeria is prone to attacks by Boko Haram which epitomises insurgency in that part of Nigeria, does not signify state failure. A state may experience a level of failure in certain facets. North Korea, for example, is quite militarily proficient but its social and economic indicators are under serious pressure. So even where it is experienced, state failure may only occur in part. Though it is called the Failed States Index, it does not mean that every country on the FSI is a failed state, as it also encompasses some of the most successful nation-states. The Failed States Index scores should be interpreted with the understanding that the lower the score, the better. Therefore, a reduced score indicates an improvement, just as a higher score indicates greater instability.

With the above in mind, the elements of the FSI have been reviewed and related to Nigeria and its comparator countries, so as to better examine the speed at which the country is going down this slippery slope. The first category of the FSI deals with four elements:

- **Demographic pressures:** which comprises pressures on the population such as disease and natural disasters that make it difficult for the government to protect its citizens or demonstrate a lack of capacity or will;
- **Group grievance:** that deals with the situation when tension and violence exists between groups, where the state's ability to provide security is undermined and fear and further violence may ensue;
- **Refugees and internally displaced people:** abound and the pressures associated with this strain public services and has the potential to pose security threat and lastly,
- **Human flight and brain drain:** when there is little opportunity, people migrate, leaving a vacuum of human capital. Those with resources also often leave before, or just as conflict erupts.

The pressures and measures related to these elements are set out in table 10.1. The first sign of stress is in the area of demographic pressure which creates food or water scarcity, malnutrition, increase in mortality and other challenges. This could happen alone or

alongside group grievance. The civil wars that characterise failed states usually stem from or have roots in ethnic, religious, linguistic, or other inter-communal enmity. The fear of "the other" that drives so much ethnic conflict may stimulate and fuel hostilities between ruling entities, subordinate and less-favoured groups. Avarice also propels antagonism, especially when discoveries of new, frequently contested sources of resource wealth, such as petroleum deposits or diamond fields, encourage such.

Table 10.1: Social Components of the Failed States Index

Demographic Pressures	Group Grievance	Refugees and IDPs	Human Flight and Brain Drain
<p>Pressures on the population such as disease and natural disasters make it difficult for the government to protect its citizens or demonstrate a lack of capacity or will.</p> <p>Includes pressures and measures related to</p> <ul style="list-style-type: none"> • Natural disasters • Disease • Environment • Pollution • Food Scarcity • Malnutrition • Water Scarcity • Population Growth • Youth Bulge • Mortality 	<p>When tension and violence exists among groups, the state's ability to provide security is undermined and fear and further violence may ensue.</p> <p>Includes pressures and measures related to:</p> <ul style="list-style-type: none"> • Discrimination • Powerlessness • Ethnic Violence • Communal Violence • Sectarian Violence • Religious Violence 	<p>Pressures associated with population displacement. This strains public services and has the potential to pose a security threat.</p> <p>Includes pressures and measures related to:</p> <ul style="list-style-type: none"> • Displacement • Refugee Camps • IDP Camps • Disease related to Displacement • Refugees per capita • DPs per capita • Absorption capacity 	<p>When there is little opportunity, people migrate, leaving a vacuum of human capital. Those with resources often leave before, or just as, conflict erupts.</p> <p>Includes pressures and measures related to:</p> <ul style="list-style-type: none"> • Migration per capita • Human Capital • Emigration of Educated Population

Source: Compiled by Project Hope from Failed States Index

There is no failed state without disharmonies between communities - the extreme rich and the extreme poor, ethnic, religious, and linguistic interests. These fault lines often create an impulse toward failure. Consequently, an indicator of state failure is the growth of criminal violence. As state authority weakens and fails, and as the state becomes criminal in its oppression of its citizens, general lawlessness becomes more apparent. Gangs and criminal syndicates assume control over the streets of the cities. Arms and drug trafficking become more common. Ordinary police forces become paralysed. Anarchy becomes the norm. For protection, citizens naturally turn to warlords and other strong figures who express ethnic or clan solidarity, thus projecting strength at a time when all else, including the state itself, is crumbling. There is no doubt that Nigeria has demographic pressures as evident in the rapid population growth but shows none of the signs that could signal state failure. There is no food or water scarcity; there is no malnutrition, disease, pollution

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or environmental degradation.

Table 10.2- Failed State Index – Social

Years	Rank	Country	Demographic pressures	Movement of refugees or displaced persons	Legacy of vengeance-seeking group grievance	Chronic and sustained human flight
2010	113th	Botswana	9.0	6.6	4.1	5.9
	119th	Brazil	6.3	3.7	6.2	4.8
	122nd	Ghana	7.1	5.3	5.2	7.9
	79th	India	8.1	5.2	7.8	6.5
	61st	Indonesia	7.2	6.5	6.3	7.3
	110th	Malaysia	6.3	5.0	6.6	3.9
	14th	Nigeria	8.4	5.8	9.5	8.1
	160th	Singapore	2.8	0.9	2.9	2.5
	115th	South Africa	8.4	7.0	5.6	4.4
	153rd	South Korea	3.6	3.3	3.9	4.8
2011	113th	Botswana	8.9	6.4	4.5	5.6
	119th	Brazil	6.1	3.5	6.5	4.5
	122nd	Ghana	6.8	5.5	5.5	7.6
	79th	India	8.0	5.0	8.2	6.2
	64th	Indonesia	7.4	6.6	6.6	6.9
	110th	Malaysia	6.0	4.8	6.7	4.2
	14th	Nigeria	8.3	6.0	9.6	7.7
	160th	Singapore	2.5	0.9	3.0	2.8
	115th	South Africa	8.4	6.7	5.9	4.1
	153rd	South Korea	3.3	3.0	3.7	4.5
2012	113th	Botswana	8.6	6.1	4.8	5.3
	119th	Brazil	7.0	3.9	6.2	4.2
	122nd	Ghana	6.7	5.2	5.2	7.6
	79th	India	7.3	5.5	7.9	5.9
	61st	Indonesia	7.4	6.3	7.1	6.6
	110th	Malaysia	6.0	4.8	6.7	4.2
	14th	Nigeria	8.3	6.0	9.6	7.7
	160th	Singapore	2.5	0.9	3.0	2.8
	115th	South Africa	8.4	6.7	5.9	4.1
	153rd	South Korea	3.0	2.5	3.4	4.2

Years	Rank	Country	Demographic pressure	Movement of refugees or displaced persons	Legacy of vengeance-seeking group grievance	Chronic and sustained human flight
2013	113th	Botswana	8.3	5.8	4.8	5.0
	119th	Brazil	7.0	3.6	5.9	3.9
	122nd	Ghana	6.7	5.5	4.9	7.3
	79th	India	7.5	5.2	8.2	5.4
	61st	Indonesia	7.5	6.0	7.3	6.3
	110th	Malaysia	5.6	4.6	6.1	4.8
	14th	Nigeria	8.5	6.6	9.8	7.3
	160th	Singapore	2.5	1.1	2.7	3.3
	115th	South Africa	7.8	6.5	5.7	4.3
	153rd	South Korea	3.0	2.0	3.1	3.9
Source: www.fundforpeace.org					Sustainable	
					Moderate	
					Warning	

Although there are ethnic and religious fault lines, they have not degenerated into conflicts or violence. There are no sectarian issues and the police is still very much in charge. Even the Boko Haram violence in the Northeast is not purely religion-based and there is no discrimination of any form. Until recently, there were no refugees or internally displaced people although people are now fleeing from a few villages of the Northeast with the increased activities of Boko Haram. Nevertheless, the FSI ratings range from 8.3 in 2010 to 8.5 in 2014 for demographic pressure; 5.8 in 2010 to 6.6 in 2014 for movement of refugees and displaced persons; and 9.5 in 2010 to 9.8 in 2014 for legacy of vengeance-seeking group grievance. These ratings are poor and understandably so when the activities of the Niger Delta militants and their quest for resource control is considered along with the activities of the violence recently being perpetrated by the Fulani herdsmen and the abductions and killings by Boko Haram.

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The economic component of FSI is set out in Table 10.3.

Table 10.3: Economic Components of the Failed States Index

Uneven Economic Development	Poverty and Economic Decline
<p>When there are ethnic, religious, or original disparities, governments tend to be uneven in their commitment to the social contract.</p>	<p>Poverty and economic decline strain the ability of the state to provide for its citizens if they cannot provide for themselves and can create friction between the "haves" and the "have nots".</p>
<p>Includes pressures and measures related to:</p>	<p>Includes pressures and measures related to:</p>
<ul style="list-style-type: none">• GINI Coefficient• Income Share of Highest 10%• Income Share of Lowest 10%• Urban-Rural Service• Distribution• Access to Improved Services• Slum Population	<ul style="list-style-type: none">• Economic Deficit• Government Debt• Unemployment• Youth Employment• Purchasing Power• GDP per capita• GDP Growth• Inflation

Source: Compiled by Project Hope from Failed States Index

Failed states provide unparalleled economic opportunity, but only for a privileged few. Those close to the ruler or the ruling oligarchy grow richer while the less fortunate starve. Immense profits can be made from currency speculation, arbitrage, and knowledge of regulatory advantages. But the privilege of making real money when everything else is deteriorating is confined to clients of the ruling elite or to favoured external entrepreneurs. The responsibility of a nation-state to maximise the well-being and personal prosperity of all of its citizens is conspicuously absent, if it ever existed. An indicator, but not a cause of failure, is declining real national and per capita levels of Gross Domestic Product (GDP), and greater disparities of income between the wealthiest and poorest of the population. High official deficits support lavish security spending and the siphoning of cash by elites. Inflation usually soars because the ruling government raids the central bank and prints money. From the resulting economic insecurity, often engineered by rulers to maximise their own fortunes as well as political and economic power, entrepreneurs favoured by the prevailing regime can reap great amounts of money. Smuggling becomes rife. When state failure is complete, the local currency devalues, and some or several international currencies take its place. Money changers are everywhere, legal or not, and arbitrage becomes an everyday national pursuit. Sometimes, especially if natural disaster intervenes, the economic chaos and generalised neglect that is endemic to failed states can lead to regular food scarcities and widespread hunger, even to episodes of starvation, and may result in the need for international humanitarian relief efforts. When unscrupulous rulers and ruling elites have consciously sucked state competencies dry, unforeseen natural disasters or man-made wars can drive ignored populations over the edge of endurance into starvation. Once such populations have lost their subsistence sources of income, they

lose their homes, forfeit already weak support networks, and are forced into an endless cycle of migration and displacement. Failed states offer no safety nets, and the homeless and destitute become fodder for anyone who can provide food and a cause.

It has been shown that Nigeria has a very high rate of poverty and unemployment with a higher regional impact in the Northeast and Northwest. Youth unemployment is uncomfortably very high. There are also significant income differences between the urban and rural dwellers. These regional differences are fuelled by the disparity in educational opportunities and exposure to good medical services. The Gini co-efficient is very high, signalling a wide disparity between the rich and the poor, a gap which is getting wider as a result of corruption. On the other hand, the economy is well managed with minimal deficits and single digit or near single digit inflation. The rate of growth of the economy over the last five years (2009-2014) at an average of 7% is strong compared to those of many other developing economies. The GDP per capita is relatively low but with the rebasing has moved the country into a middle class economy. These positive news about the economy, veneers the fact that as has been stressed, the economic development is uneven and the group or class differences are very pronounced. With a score of 9.3 in this category in 2010 and 9.2 in 2013, there is a lot of work to be done to address the inequalities that hold the country down. The positive side however, is that the economy is actually growing and not declining or stagnant.

The economic development is uneven and the group or class differences are very pronounced...there is a lot of work to be done to address the inequalities that hold the country down.

Table 10.4: Failed State Index - Economic

Years	Rank	Country	Uneven economic development on group lines	Poverty and sharp or severe economic decline
2010	113th	Botswana	7.7	6.1
	119th	Brazil	8.8	4.0
	122nd	Ghana	6.4	5.8
	79th	India	8.7	5.1
	61st	Indonesia	7.9	6.7
	110th	Malaysia	7.0	5.1
	14th	Nigeria	9.3	6.9
	160th	Singapore	3.1	3.7
	115th	South Africa	8.5	5.0
	153rd	South Korea	2.5	2.8

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Years	Rank	Country	Uneven economic development on group lines	Poverty and sharp or severe economic decline
2011	113th	Botswana	7.4	6.3
	119th	Brazil	8.5	3.9
	122nd	Ghana	6.3	6.1
	79th	India	8.5	5.4
	64th	Indonesia	7.5	6.4
	110th	Malaysia	6.7	4.9
	14th	Nigeria	9.0	7.3
	160th	Singapore	3.4	3.6
	115th	South Africa	8.2	5.3
	153rd	South Korea	2.3	2.2
2012	113th	Botswana	7.7	6.5
	119th	Brazil	8.4	3.6
	122nd	Ghana	6.2	6.0
	79th	India	8.4	5.5
	61st	Indonesia	7.2	6.0
	110th	Malaysia	6.4	4.6
	14th	Nigeria	8.9	7.5
	160th	Singapore	3.7	3.3
	115th	South Africa	8.2	5.6
	153rd	South Korea	2.6	2.3
2013	113th	Botswana	7.5	6.1
	119th	Brazil	8.3	3.3
	122nd	Ghana	6.5	6.1
	79th	India	8.1	5.4
	61st	Indonesia	6.9	5.5
	110th	Malaysia	5.9	4.1
	14th	Nigeria	9.2	7.5
	160th	Singapore	3.7	3.0
	115th	South Africa	8.0	5.9
	153rd	South Korea	2.9	2.0
Source: www.fundforpeace.org			Sustainable	
			Moderate	
			Warning	

The challenge really is the poor link between economic growth and human development in Nigeria as evidenced by the high rate of poverty and unemployment together with the poor access to education and healthcare. If the distribution of income is unequal and if social expenditures are low or distributed unevenly, human development may not improve much, despite the rapid GNP growth. With even income distribution and well-structured public expenditures, countries can achieve significant improvements in human development even in the absence of satisfactory economic growth. As explained, the link between economic growth and its distribution is not automatic and government has to make a concerted effort to ensure that it sets this as a key objective to be gradually achieved. A more inclusive growth will result in a more balanced progress and happier citizens, who will no longer be available to be used by mischief makers and insurgents. If this can be achieved there will be better harmony amongst the people and the country's FSI ranking in this area will significantly improve.

A nation-state fails when it loses its basic legitimacy – when its nominal borders become irrelevant and when one or more groups seek autonomous control within one or more parts of the national territory or, sometimes, even across its borders. Once the state's capacity deteriorates and the little capacity that remains is devoted largely to the fortunes of a few or favoured ethnicity or community, then there is every reason to expect less loyalty to the state on the part of the excluded and the disenfranchised. When the rulers are seen to be working for themselves and their kin, and not for the state, their legitimacy, and the state's legitimacy, plummets. The state increasingly is perceived as owned by an exclusive class or group with all others pushed aside. Citizens naturally become more and more conscious of the kinds of sectional or community loyalties that are their main recourse and their only source of security and economic opportunity. They transfer their allegiances to clan and group leaders, some of whom become warlords. These warlords or other local strongmen derive support from external and local supporters. In the wilder, more marginalised corners of failed states, terror can breed along with the prevailing anarchy that emerges from state breakdown and failure.

With even income distribution and well-structured public expenditures, countries can achieve significant improvements in human development even in the absence of satisfactory economic growth.

Therefore, another indicator of state failure is the growth of criminal violence. As state authority weakens and fails, and as the state becomes criminal in its oppression of its citizens, general lawlessness becomes more apparent. Gangs and criminal syndicates assume control over the streets of the cities. Arms and drug trafficking become more common. Ordinary police forces become paralysed. Anarchy turns out to be the norm. For protection, citizens naturally turn to warlords discussed above and other strong

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figures who express ethnic or clan solidarity, thus projecting strength at a time when all else, including the state itself, is crumbling. Only a handful of the world's nation-states can now be categorised as failed, or collapsed, which is the end stage of failure. Several dozens more, however, are weak and are prospective candidates of failure, because failed states are hospitable to and harbour non-state actors - warlords and terrorists.

Table 10.5: Political and Military Components of the Failed States Index

State Legitimacy	Public Services	Human Rights and Rule of Law	Security Apparatus	Factionalized Elites	External Intervention
Corruption and lack of representativeness in the government directly undermine social contract.	The provision of health, education, and sanitation services, among others, are key roles of the state.	When human rights are violated or unevenly protected, the state is failing in its ultimate responsibility.	The security apparatus should have a monopoly on use of legitimate force. The social contract is weakened where this is affected by competing groups.	When local and national leaders engage in deadlock and brinkmanship for political gain, this undermines the social contract.	When the state fails to meet its international or domestic obligations, external actors may intervene to provide services or to manipulate internal affairs.
Includes pressures and measures related to:	Includes pressures and measures related to:	Includes pressures and measures related to:	Includes pressures and measures related to:	Includes pressures and measures related to:	Includes pressures and measures related to:
Corruption • Government Effectiveness • Political Participation • Electoral Process • Level of Democracy • Illicit Economy • Drug Trade • Protests and Demonstrations • Power Struggles	• Policing • Criminality • Education Provision • Literacy • Water & Sanitation • Infrastructure • Quality Healthcare • Telephony • Internet Access • Energy Reliability • Roads	• Press Freedom • Civil Liberties • Political Freedoms • Human Trafficking • Political Prisoners • Incarceration • Religious Persecution • Torture • Executions	• Internal Conflict • Small Arms Proliferation • Riots and Protests • Fatalities from Conflict • Military Coups • Rebel Activity • Militancy • Bombings • Political Prisoners	• Power Struggles • Defectors • Flawed Elections • Political	• Foreign Assistance • Presence of Peacekeepers • Presence of UN Missions • Foreign Military Intervention • Sanctions • Credit Rating Early

Source: Compiled by Project Hope from Failed States Index

In contrast to strong states, failed states cannot control their borders. They lose authority over sections of their territory. Often, the expression of official power is limited to a capital city and one or more ethnically specific zones. Plausibly, the extent of a state's failure can be measured by how much of its geographical expanse is genuinely controlled (especially after dark) by the official government. How nominal or contested is the central government's sway over peripheral towns, rural roads and waterways? Who really expresses power upcountry, or in districts distant from the capital? Citizens depend on states and central governments to secure their lives and be free from fear. Unable to establish an atmosphere of security nationwide, and often struggling to project power and official authority, the faltering state's failure becomes obvious even before, or as, rebel groups and other contenders threaten the residents of central cities and overwhelm demoralised

government contingents, as was in Liberia and Sierra Leone in the 1990s. In most failed states, regimes prey on their own constituents.

Years	Rank	Country	Legitimacy of the state	Progressive deterioration of public service	Violation of human rights and rule of law	Security apparatus	Rise of factionalised elites	Intervention of other states or external actors
2010	113th	Botswana	5.3	6.4	4.8	4.0	2.9	5.8
	119th	Brazil	6.2	6.0	5.4	6.7	5.1	4.2
	122nd	Ghana	5.1	7.6	4.7	2.6	4.2	5.2
	79th	India	5.8	7.2	6.1	7.6	6.2	4.9
	61st	Indonesia	6.9	6.7	6.5	7.3	7.1	6.7
	110th	Malaysia	5.9	5.0	6.8	5.9	6.3	5.4
	14th	Nigeria	9.4	9.1	8.8	9.3	9.4	6.2
	160th	Singapore	4.2	1.7	4.4	1.5	4.1	3.0
	115th	South Africa	5.8	5.5	4.7	4.1	5.9	3.0
153rd	South Korea	3.9	2.3	2.8	1.5	3.6	6.3	
2011	113th	Botswana	5.0	6.0	5.0	4.1	3.3	5.4
	119th	Brazil	5.9	5.8	5.1	6.5	4.9	3.9
	122nd	Ghana	4.8	7.7	4.5	3.0	4.2	5.6
	79th	India	5.8	7.2	5.9	7.8	6.8	4.5
	64th	Indonesia	6.7	6.5	6.3	7.1	7.0	6.5
	110th	Malaysia	6.0	5.1	6.9	6.0	6.4	5.0
	14th	Nigeria	9.0	9.0	8.6	9.1	9.5	6.9
	160th	Singapore	3.9	2.0	4.7	1.5	4	2.8
	115th	South Africa	5.5	5.5	4.6	4.5	5.9	3.0
	153rd	South Korea	3.7	2.2	2.6	1.7	3.6	6.0

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2012	113th	Botswana	4.7	5.9	4.7	3.8	3.3	5.1
	119th	Brazil	5.6	5.5	5.0	6.2	4.9	3.6
	122nd	Ghana	4.8	7.6	4.5	3.3	4.7	5.7
	79th	India	5.5	6.9	5.8	7.5	6.8	5.0
	61st	Indonesia	6.7	6.2	6.8	7.1	7.0	6.2
	110th	Malaysia	6.5	4.8	7.4	6.3	6.8	4.7
	14th	Nigeria	9.1	9.1	8.6	9.2	9.8	6.6
	160th	Singapore	3.5	2.2	5.0	1.8	4.0	2.5
	115th	South Africa	5.2	5.8	4.5	4.8	5.9	2.8
	153rd	South Korea	3.2	2.2	2.8	2.0	3.6	5.7
2013	113th	Botswana	4.4	6.0	4.4	3.5	3.3	4.8
	119th	Brazil	5.3	5.4	5.3	5.9	4.9	3.3
	122nd	Ghana	5.1	7.6	4.7	3.8	5.0	6.0
	79th	India	5.2	6.7	5.9	7.8	6.8	5.2
	61st	Indonesia	6.4	6.1	6.5	6.8	7.0	5.9
	110th	Malaysia	6.2	4.5	7.1	6.0	6.8	4.4
	14th	Nigeria	8.8	9.3	8.6	9.5	9.4	6.3
	160th	Singapore	3.2	1.9	4.9	1.5	4.0	2.2
	115th	South Africa	5.3	6.3	4.2	5.1	5.6	2.9
	153rd	South Korea	2.9	1.9	2.6	2.1	3.6	5.4
Source: www.fundforpeace.org								

Table 10.6: Failed State Index – Politics and Military

Driven by ethnic or other inter-communal hostility, or by the governing elite's insecurities, they victimise their own citizens or some subset of the whole that is regarded as hostile such as in Mobutu Sese Seko's Zaire or the Taliban's Afghanistan. Understanding the dynamics of nation-state failure is therefore central to the war against terrorism and consequently, the strengthening of weak nation-states has assumed a new approach. Corruption flourishes in failed states, often on an unusually destructive scale. Petty or lubricating corruption is widespread. Levels of venal corruption escalate, especially kickbacks on anything that can be put out to bid, including medical supplies, textbooks, bridges, unnecessarily wasteful construction projects solely for the rents they will generate, licences for existing and non-existing activities,

the appropriating by the ruling class of all kinds of private entrepreneurial endeavours and generalised extortion. Corrupt ruling elites invest their gains overseas, not at home. A few build numerous palaces or lavish residences with state funds. Military officers always benefit from these corrupt regimes and feed ravenously from the same illicit troughs as their civilian counterparts.

In practical terms, the political and military indicators are the severest. In a failed state, state legitimacy breaks down, corruption holds sway and the electoral process is subverted. The economy degenerates to the extent that only the illicit economy exists. While Nigeria suffers from corruption and elections are rigged, these national ills are not the result of state failure but social decadence that the leadership has not actively targeted to eliminate. The FSI score of 9.4 in 2010 has reduced to 8.8 in 2014. Everybody now sees clearly the damage that corruption and rigging of elections are doing to the political and economic image of the country. There is a general agreement that these issues need to be addressed but this is one area where the knowing and doing gap is at the widest. For some reason, the government has been either unwilling or unable to galvanise the people to rise up to fight against these twin evils. Similarly, the provision of health, education, and sanitation services, among others, which are key roles of the state, has been relatively poor.

This sad turn of events, rather than an evidence of a failing nation-state, is but the result of the level to which corruption has drained the resources of the state and makes it impossible for the needed responsibilities to be discharged. The recurrent expenditure, where less than 0.5% of the population takes more than 70% of the annual budget can only result in the deplorable condition that the country finds itself. The poor FSI score here of 9.1 in 2010 that reduced to 9.0 in 2011 but rose to 9.3 in 2014, does not in any way serve as a symptom of failure of the nation-state but a clear evidence of the greed of the insignificant few that have misinterpreted the role of the state as existing simply to massage their big egos to the detriment of the majority of the people. If the above score were earned as a result of public services collapse due to civil strife, insurgency and battles between competing warlords, the score, depicting the degeneration of the state will be merited. But here is a nation that has suffered successive military regimes, which brutalised it as a conquered territory, where a few thousand elites, including politicians, civil servants and privileged business men, conspired to loot the nation blind. It becomes clear that the scores are strong warning signals that time is running out. The nation has not failed but it is set on a clear path to self-destruct, except something is done and very fast too, as the spate of communal crisis that have bedeviled Nigeria since 1999 take a stranglehold of the nation.

Nothing has brought the perception of a failing nation on Nigeria more than the terror that has been unleashed on her by Boko Haram. The Congregation of the People of Tradition for

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Proselytism and Jihad (*Jama'atu Ahlis Sunna Lidda'awati Wal-Jihad*) known by its Hausa name, Boko Haram, figuratively meaning "Western education is a sin", is a terrorist organisation based in North eastern Nigeria, North Cameroon and Niger. Founded by Mohammed Yusuf in 2002, the organisation seeks to establish a "pure" Islamic state under the Sharia law, to put an end to what it deems as "Westernisation".¹³ The group is known for attacking religious worship centres, schools, and police stations. Their activities resulted in an estimate of 10,000 deaths between 2002 and 2013. Nigeria's President, Goodluck Jonathan, in May 2014, claimed that Boko Haram attacks have left at least 12,000 people dead and 8,000 people crippled.¹⁴ Some of the attacks that are traceable to the group are set out in Table 10.7. The group exerts influence in the North eastern Nigeria states of Borno, Adamawa, Kaduna, Bauchi, Yobe and Kano. Owing to this, a state of emergency has been declared in the states of Borno, Adamawa and Yobe. The group does not have a clear structure or evident chain of command, which has been interpreted as "being diffuse" with a "cell-like structure" enabling factions and splits. It is reportedly divided into three factions with a splinter group known as Ansaru. The group's main leader is Abubakar Shekau.

Table 10.7: Timeline of Boko Haram attacks in Nigeria

Timeline	Incident
7th September, 2010	Bauchi prison break
31st December, 2010	Abuja attacked
12th March, 2011	Assassinated Muslim cleric, Imam Ibrahim Ahmed Abdullahi, for criticising the violent groups in Northeast Nigeria
22nd April, 2011	Boko Haram freed 14 prisoners during a jailbreak in Yola, Adamawa State
29th May, 2011	Northern Nigeria bombings
16th June, 2011	The group claimed responsibility for the 2011 Abuja police headquarters bombing
26th June, 2011	Attack on a beer garden in Maiduguri, left 25 dead and 12 injured
10th July, 2011	Bombing at the All Christian Fellowship Church in Suleja, Niger State
11th July, 2011	The University of Maiduguri temporarily closed down its campus, citing security concerns
12th August, 2011	Prominent Muslim Cleric, Liman Bana, was shot dead by Boko Haram.
26th August, 2011	Abuja bombing
4th November, 2011	Damaturu attacks
25th December, 2011	Nigeria bombings
5th–6th January, 2012	Nigeria attacks
20th January, 2012	Kano bombings

13 http://en.wikipedia.org/wiki/Boko_Haram#cite_ref-24

14 Premium Times Nigeria (May 17, 2014 (2014-05-17)).

Timeline	Incident
28th January, 2012	Nigerian army said it killed 11 Boko Haram insurgents
8th February, 2012	Boko Haram claimed responsibility for a suicide bombing at the army headquarters in Kaduna.
16th February, 2012	Another prison break staged in central Nigeria; 119 prisoners were released, one warden killed.
8th March, 2012	During a British hostage rescue attempt to free Italian engineer Franco Lamolinara and Briton Christopher McManus, abducted in 2011 by a splinter group Boko Haram, both hostages were killed.
31st May, 2012	During a Joint Task Force raid on a Boko Haram den, it was reported that 5 sect members and a German hostage were killed.
3rd June, 2012	15 church-goers were killed and several injured in a church bombing in Bauchi State. Boko Haram claimed responsibility through spokesperson Abu Qaqa.
17th June, 2012	Suicide bombers struck three churches in Kaduna State. At least 50 people were killed.
17th June, 2012	130 bodies were found in Plateau State. It was presumed they were killed by Boko Haram terrorists.
18th September, 2012	Family of four murdered
18th September, 2012	Murder of six at an outdoor party
19th September, 2012	Nigerian Military arrested Boko Haram militants, reported death of Abu Qaqa
3rd October, 2012	About 25–46 people were massacred in the town of Mubi in Nigeria during a night-time raid.
18th March, 2013	At least 22 killed and 65 injured, when a suicide car bomb exploded in Kano bus station.
7th May, 2013	At least 55 killed and 105 inmates freed in coordinated attacks on army barracks, a prison and police post in Bama town.
6th July, 2013	42 people, mostly students, were killed in a Yobe State school attack in Northeast Nigeria.
29th September, 2013	Attack on College of Agriculture in Gujba: 40 male students killed.
14th January, 2014	At least 31 people killed, over 50 people injured by suicide bombing in Maiduguri, Borno State.
16th February, 2014	Izghhe Massacre: 106 villagers are killed, 105 of whom were boys and men.
25th February, 2014	Fury at military over Yobe deaths. At least 29 teenage boys dead at Federal Government College Buni Yadi.
14th April, 2014	Government properties, including the only Girls' Secondary School in Chibok, attacked. At least 16 killed or missing, and 234 female students kidnapped. The Boko Haram militants said it would treat them as slaves and as part of "war booty".
14th April, 2014	Two bombs exploded at a crowded bus station in Abuja, Nigeria, killing at least 90 people and injuring more than 200.
1st May, 2014	A car bomb exploded killing at least 19 people and injured at least 60 in the same area of Abuja as in the April bomb blast.

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Timeline	Incident
5th May, 2014	Boko Haram attacked the twin towns of Gamboru and Ngala in Borno State, Nigeria. They started shooting in a busy marketplace, set houses on fire, and gunned down anyone who tried to flee. The death toll of the massacre was as high as 336.
13th May, 2014	Menari, Tsangayari and Garawa: Boko Haram attacked three villages, killing about 60 people in Menari. Vigilantes fought back, killing over 200 Boko Haram militants.
17th May, 2014	A summit in Paris declared Boko Haram a part of Al-Qaeda as leaders from West African nations resolved to mount a region-wide offensive against the group that is holding more than 200 schoolgirls hostage in a dense jungle. Western nations have pledged to provide technical expertise and training to the new regional African effort against the Islamic extremists.
18th May, 2014	Suicide car bomb killed five people in Kano.
20th May, 2014	Jos: Twin bomb explosions killed 118 people.
30th May, 2014	Assassination of Muslim leader, Alhaji Idrissa Timta, the Emir of Gwoza, in Borno State.
1st June, 2014	A bomb attack at a football field in Mubi, Adamawa State killed at least 40 people.
2nd June, 2014	Militants dressed as soldiers slaughtered at least 200 civilians in three communities in Northeastern Nigeria's Borno State, in the Gwoza local government district. A community leader, who witnessed the Monday killings, had said that local residents had pleaded for help from the military, but they did not arrive in time. It took a few days for word from survivors to reach the provincial capital of Maiduguri, because the roads were extremely dangerous and phone connections were poor or non-existent. The slaughter was confirmed by both Mohammed Ali Ndume, a senator, representing Borno and whose hometown is Gwoza, and by a top security official in Maiduguri who craved anonymity.

Source: Wikipedia 27th June, 2014

The Boko Haram leadership is thought to be connected to international groups like the Al-Qaeda in the Islamic Maghreb (AQIM), Al-Qaeda core, Al-Shabab, the Movement for Unity and Jihad in West Africa (MUJAO), Mokhtar Belmokhtar's factions, and other militant groups outside Nigeria¹⁵. On 13th November 2013, the United States Government labelled the group a terrorist organisation. On 22nd May 2014, the United Nations Security Council added Boko Haram to its list of designated Al-Qaeda entities, imposing "funding, travel and weapons sanctions" against members of the terrorist groups.¹⁶ Many of the group's senior radicals were reportedly partially inspired by the late Islamic preacher and member of the Maitatsine sect¹⁷. Others believe that the group is motivated by inter-ethnic disputes as much as by religion, and that its founder, Yusuf, believed that a

15 23 May 2014. Leadership Analysis of Boko Haram and Ansaru in Nigeria

16 BBC News Africa. 22 May 2014. UN Committee imposes sanctions on Nigeria's Boko Haram.

17 Adebayo, Akanmu G. (2012), *Managing Conflicts in Africa's Democratic Transitions*, p. 176 West African Studies Conflict over Resources and Terrorism, OECD, 2013

campaign of “ethnic cleansing” was being waged by Plateau State Governor, Jonah Jang, against the Hausa and Fulani people which instigated the disputes.¹⁸ The conflicts have left around 90,000 people displaced¹⁹.

With the above captured in their data base, The Global Terrorism Index (GTI) continues to rank Nigeria a high terrorist impact country. GTI is a comprehensive account of the direct and relative impact of terrorism in 158 countries in terms of its effect on lives lost, injuries sustained, and damaged properties. It aggregates the most authoritative data source on terrorism today - The Global Terrorism Database (GTD) - into a composite score in order to provide an ordinal ranking of nations on the negative impact of terrorism. The GTD is unique in that it consists of systematically and comprehensively coded data on domestic as well as international terrorist incidents, and includes more than 104,000 cases. Similar in concept to the Global Peace Index (GPI), the GTI attempts to capture the direct effects of terrorist-related violence, in terms of its physical effect. However, by counting prior years with a lower weighting to earlier years, it also takes into account the residual effects of terrorism in terms of emotional wounds and fear. This pre-supposes that:

1. The incident must be intentional - the result of a conscious calculation on the part of the perpetrator.
2. The incident must entail some level of violence or threat of violence - including property violence, as well as violence against people.
3. The perpetrators of the incidents must be sub-national actors.

This database does not include acts of state terrorism. In addition to this baseline definition, two of the following three criteria also have to be met in order to be included in the GTD from 1997:

- a. The violent act must be aimed at attaining a political, economic, religious, or social goal.
- b. The violent act must include evidence of an intention to coerce, intimidate, or convey some other message to a larger audience (or audiences) other than the immediate victims; and
- c. The violent act was outside the precepts of international humanitarian law.

The GTI score for a country in a given year is based on a unique scoring system to account for the relative impact of incidents in the year. There are four factors counted in each country's yearly score:

18 Walker, Andrew (June 2012). “What is Boko Haram?”. US Institute of Peace 2nd October 2013

19 Al Jazeera. Nov 29, 2013.

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- i. Total number of terrorist incidents in a given year.
- ii. Total number of fatalities caused by terrorism in a given year.
- iii. Total number of injuries caused by terrorism in a given year.
- iv. The approximate level of total property damage from terrorist incidents in a given year

Each of the factors is weighted differently and a five-year weighted average is applied to importantly reflect the lingering psychological effect of terrorist acts over time. The weightings shown in Table 10.8 were determined by consultation with the GPI Expert Panel. The definition of what constitutes a terrorist attack is “the threatened or actual use of illegal force and violence by a non-state actor to attain a political, economic, religious, or social goal through fear, coercion, or intimidation”²⁰. This definition excludes perceived acts of state terror, such as drone attacks, resulting in civilian casualties.

As the vast literature on terrorism shows, there are many competing definitions, but for consistency this report adopts the GTD definition which is further discussed subsequently. The index combines a number of factors associated with terrorist attacks to build a thorough picture of the impact of terrorism over a 10-year period, illustrating trends, and providing a useful data series for further analysis by researchers and policymakers. Produced by the Institute for Economics and Peace (IEP), the GTI is based on data from the Global Terrorism Database (GTD) which is collected and collated by the National Consortium for the Study of Terrorism and Responses to Terrorism (START). The GTD is considered to be the most comprehensive dataset on terrorist’s activity and has codified over 104,000 cases of terrorism. This report summarises changing trends in terrorism over time, as well as analyses its different dimensions in terms of geographic activity, methods of attack, organisations involved, and its national context in terms of economic development and governance. The index has also been compared to other socio-economic indicators to determine what factors are commonly associated with terrorism. The data shows that the global impact of terrorism has increased significantly from 2002 to 2011, peaking in 2007 and then slightly falling in 2011. The current global trend of terrorism can best be described as plateauing rather than declining, with 72 countries, experiencing increased activity and 63 experiencing decreased activity over the last decade. When analysing the incidence of terrorism in the context of economic development as measured by income levels, countries with the highest levels of terrorist attacks tended not to be low income countries, but rather low-medium income countries, which have a 50% higher rate of attacks than low income countries. This highlights that poverty is not a primary driver of terrorism. It is driven by high and upper middle income. Nigeria ranks 7th amongst the countries most impacted by terrorism in 2002-2011, just behind Iraq, Pakistan, Afghanistan, India, Yemen and Somalia as set out in Table 10.8. This should give the Nigerian leadership – political, traditional and

20 Global Terrorism Index published by the Institute for Peace and Economics

religious-- a reason for very deep thought. There must be a way to address the numerous challenges and issues fueling conflicts.

Table 10. 8: Global Terrorism Index rankings Country/Score (2011)

Rank	Country	Score
1	Iraq	10.378
2	Pakistan	10.249
3	Afghanistan	10.062
4	India	9.147
5	Yemen	8.605
6	Somalia	7.844
7	Nigeria	7.347
8	Thailand	7.086
9	Russia	7.068
10	Philippines	6.801
11	Sudan	6.304
12	Democratic Republic of the Congo	6.182
13	Colombia	6.055
14	Syria	5.861
15	Algeria	5.831
16	Sri Lanka	5.680
17	Iran	5.633
18	Kenya	5.266
19	Turkey	5.238
20	Israel	5.155

Source: *Global Terrorism Index 2011 published by the Institute for Peace and Economics*

Neighbour against neighbour: The rule of the gun

The amalgamation of 1914 brought together a rainbow collection of tribes and tongues. The rainbow in the sky is a thing of beauty and it was therefore envisaged that Nigeria will draw strength from its diversity with a truly balanced portfolio, for the maximisation of benefits to its people. However, multi-ethnicity has instead brought suspicion, hate, massacres and fear amongst all the people irrespective of their tribe or tongue. Consequently, many parts of the country are today convulsed in inter and

The gun, which is beginning to rule the country, is gradually replacing the rule of law, and except the political and cultural leaders pull together and quickly and positively intervene, the inexorable march to perdition may be very difficult to halt.

intra-ethnic conflicts, leading to loss of lives as well as destruction of private and public property. The gun, which is beginning to rule the country, is gradually replacing the rule of law, and except the political and cultural leaders pull together and quickly and posi-

From Nasarawa to Kaduna, Plateau to Taraba and Benue to Kogi states, peace has departed many communities.

tively intervene, the inexorable march to perdition may be very difficult to halt. The tragic bloodbath in the North-Central and North Eastern states reached lamentable heights in 2014. While Boko Haram terrorists continue their atrocities, particularly in the North-East, bloodletting, arson, brigandage, rape and impunity are on the rampage in large parts of the North-Central region with attendant human misery and

economic destruction, where there seems to be a rapid descent into anarchy which should be stopped before the situation gets out of hand. Cattle rustlers and herdsmen continue to pillage villages and slaughter the inhabitants, joined often by ethnic militias and mercenaries disguised as herdsmen which President Goodluck Jonathan, called 'terrorists masquerading as pastoralists'²¹. The carnage has shattered the social cohesion of the region and cast its over 200 odd ethnic nationalities into mutually hostile camps. People are dying in their thousands and the economy is in tatters. From Nasarawa to Kaduna, Plateau to Taraba and Benue to Kogi states, peace has departed many communities and homes. Just sometime in July 2014, 38 persons, mostly women and children, were killed by gunmen who attacked some villages in Kaduna state's Sanga Local Government Area (LGA).

At the end of the mayhem, the local people recorded a death toll of 200. The state had witnessed a similar mayhem in January when seven members of the same family were slaughtered in Manchok; about 100 persons died in attacks in three villages in Kaura LGA in March, while six persons were killed during an attack on Fadan Karshi village and 13 Fulani herdsmen killed in an ambush by gunmen in Maihula, Bali LGA of Taraba State. Hundreds were similarly slaughtered in Plateau, the supposed centre of hospitality. Everywhere, Fulani herdsmen were fingered as prime perpetrators of the pogroms and mindless slaughter of the innocent, with local youths staging equally bloody reprisals. In Benue, several villages were sacked in a war of attrition on Tiv villages, allegedly by Fulani gunmen and mercenaries. The war between the two had spread from Benue, Plateau and Nasarawa to Taraba State, with Wukari as its epicentre. Between 270 and 300 persons were estimated to have been killed in Wukari between March and June 2014. Human Rights Watch estimated that over 150,000 persons died in ethno-religious conflicts in Nigeria since 1979 with the North-Central Zone accounting for a significant number of this figure since 1986. Inter-ethnic conflict in the North-Central zone is doubly vicious

21 <http://www.vanguardngr.com/2014/06/terrorists-masquerading-herdsmen-jonathan/#sthash.HKobYMFw.dpuf>

because it invariably becomes ethno-religious and sectarian. At the root of the conflict is usually contest over land ownership and access to water sources. Unlike ethnic conflicts among southern nationalities, which are mostly tribe-based, minority ethnic groups in the North are often mostly Christians, while the Fulani, Hausa and associated ethnic groups are predominantly Muslims. Since the minorities are predominant in the Middle-Belt and southern parts of the Northeast and Northwest, their conflicts with the Fulani and Hausa usually assume a religious dimension. It has also been studied that the prolonged Sahelian drought forces the herdsmen southwards from Chad, Niger Republic and far Northern Nigeria to contend for grazing land and water with agrarian communities in the Middle-Belt, leading to conflict and violence. But the crucial factors, promoting violence in the region is the evil convergence of politics and religion. The vaunted cohesion of the old North and the slogan of "one destiny" have been shattered to the extent that all attempts to solve common problems have been stalled, while the region continues to record the world's poorest HDI in terms of poverty, health, employment and literacy rates.

The history of human conflicts shows clearly that wars often begin from minor, personal, sectional, economic, political, social or religious disagreements. Since Nigeria's return to democratic governance on May 29th, 1999, the Middle Belt region now better known by its new geo-political identity as North-Central zone, has witnessed a series of communal, religious, inter and intra-ethnic crises resulting into mindless destruction of lives and property. The most affected states in the zone are Plateau, Nasarawa, Benue and Taraba states and the conflicts in Kaduna and Bauchi states though outside this zone have impacted on the zone and vice versa. If we take from the Boko Haram insurgency in the North East and the ethnic conflicts, Kaduna and Bauchi killings are the most pronounced in the North and best exemplify how conflicts have engulfed the country and give it a very poor rating in the FSI and the label of a failing or failed state. The clashes have reduced towns and affected villages in Kaduna and Jos, to charred evidence of the new spirit of intolerance, stalking parts of the nation and turning thousands of people into refugees in their own homes and communities. These bloody intra and inter-state clashes sometimes also have religious colouration in places like Kaduna and Jos. The religious colouration seem to mask the underlying fundamental cause or causes of these crises with religion often times used as a decoy to gain advantage or obtain a victimised status in the unending ethnic quest for social, political and economic advantages. Nevertheless, it must be acknowledged that the religious coloration has become as dangerous and nearly as intractable as the fundamental cause or causes of these inter-ethnic clashes. According to Alhaji Abdullahi Adamu, "there have been suggestions that they (the conflicts) are a passing phase in a nation that has found its freedom after many years of dictatorship. It may well be that democracy has unleashed personal freedom that some of us find ourselves unequipped to properly manage, leading to a heady expression of same".

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Table 10. 9: A list of massacres in Nigeria

Name	Date	Location	Deaths
Boko Haram Uprising	July, 2009	Maiduguri, Bauchi ,Potiskum, Wudil	1,000+
Jos massacre	2010	Jos	992
Abuja United Nations bombing	Aug 26, 2011	Abuja	21
Damaturu attack	Nov 4, 2011	Damaturu	100-150
Nigeria clashes	Dec, 2011	Maiduguri and Damaturu	68+
Nigeria bombing	25, Dec 2011	Madalla	41+
Nigeria attack	Jan 5 - 6, 2012	Mubi, Yola, Gombi, and Maiduguri	37+
Nigeria attack	Jan 20, 2012	Kano	185
Kaduna massacre	April 8, 2012	Kaduna	38
Kaduna church bombing	June 17, 2012	Kaduna, Wusasa, and Sabon Gari	12 - 19
Massacre	July 7, 2012	Multiple Northern Nigerian villages	100+
Deeper Life Church shooting	Aug 7, 2012	Okene	19
Shootings in Nigeria	Dec 25, 2012	Maiduguri, Potiskum	27
Baga massacre	Apr 19 -20, 2013	Baga, Borno	228+
Yobe State school shooting	July 6 2013	Mamudo Government Secondary School	30
Gujba college massacre	Sept 29, 2013	Gujba Yobe school	50
Borno Massacre	Feb 11, 2014	Konduga, Borno State	39
Federal Government College Buni Yadi attack	Feb 25, 2014	Federal Government College Buni Yadi, Yobe State	59
Abuja attack	April 14, 2014	Bus Stand, Abuja, Nigeria	71
Gamboru attack	May 6, 2014	Gamboru, Borno, Nigeria	200
Kano Bombings	June 23, 2014	Kano, Nigeria	13

Source: Wikipedia

“It may well be that under democracy, our right to have our say has been turned into a licence to be right. It may even well be that the latent fissiparous forces now find a discordant expression and violent release in the country. But these crises are not, repeat, not, a passing phase in a country grappling with the dynamics of nationhood. There are various dimensions to them. Indeed, some of the underlying causes are probably as old

as the nation itself".²² As shown in Table 10.9, the frequency of the conflicts is not only on the increase but the brutality and casualties are on a sharp rise such that a day hardly goes by in 2014, without a conflict and multiple killings being reported. It is therefore trite to ask why these dastardly and barbaric acts that totally negate natural justice continue to recur with absolute impunity in the democratic dispensation. Democracy is so powerful and attractive that it has been touted as the endpoint of mankind's ideological evolution and the final form of human government. When the impact of democracy in other countries is weighed and compared with that of Nigeria, it becomes imperative to ask why Nigeria as a country is stagnant. We have discussed how the 1914 amalgamation of northern and southern Nigeria brought together numerous tribes of different culture. It is not wrong to expect that, in almost a century, Nigerians should have found common grounds of understanding, and the system of government that will guarantee peaceful co-existence. Democracy, with its twin principle of liberty and equality, is the best government for a multi-ethnic and multi-culture people like Nigeria, but the daily unsettling blood-letting, calls for serious concern and mind searching. Democracy is such a delicate system that, if not rightfully institutionalised, could spell doom and stagnation for any nation.

Democrac is such a delicate system that, if not rightfully institutionalised, could spell doom and stagnation for any nation.

In order that the complex situation which the country faces (particularly the peculiarity of the North) is put in a clearer perspective, it is good to study the challenge through the parameters of the North central zone together with Kaduna and Bauchi that have borne the brunt of the ethnic conflicts outside the Boko Haram campaign zone. Furthermore, the zone is home to nearly all the ethnic groups in the country. Indeed, the major tribes - Hausa/Fulani, Igbo and Yoruba are found there. Numerous minority ethnic groups, numbering about 50, the largest of whom are the Tiv are found in the four states of Benue, Taraba, Plateau and Nasarawa. No other zone in the country has this degree of ethnic diversity as the North-central zone. Migration into this region took many forms and happened at various times. The success of Kwararafa and Nupe empires must have been responsible for the great gathering of the tribes, particularly the minority ethnic groups, in this region. The Fulani jihad of the 19th century brought a new religion, Islam, and a new wave of Hausa/Fulani migrants into the zone. Thus the Hausa/Fulani ruling dynasties are firmly established in Keffi and Nasarawa in Nasarawa State. It is not exactly known what gave rise to the Kanuri migration from the Northeast to this region. This extraction is found mostly in what is now Lafia Local Government Area in Nasarawa State. They are the traditional ruling class there. The Igbo and the Yoruba must have come to the region

22 Alhaji Abdullahi Adamu, Sarkin Yakin Keffi, Executive Governor of Nasarawa state. (27 January 2002). Ethnic Conflicts in Nigeria

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for a number of reasons, among which must be commerce and economic opportunities. The ethnic diversity in this region means the diversity of customs, cultural and religious practices that are sometimes in conflict with one another. Such conflicts have often found expression in the political, ethnic and religious rhetoric within and outside the geo-political zone as the people of the region, being largely Christians and traditional religion practitioners, felt that they had little in common with the dominant Hausa/Fulani who are mainly Muslims. They have therefore argued that a region of their own would afford them the opportunity to develop at their own pace and in accordance with their cultural and religious practices. There were similar agitations in the then Eastern and Western regions in the first republic. However, the Western region granted the wishes of the then Mid-West and that of the Middle Belt was opposed.

The suspicion that particular ethnic groups such as the Hausa/Fulani and the Nupe were opposed to the struggle and that their alleged stand gained them favoured status in the then Northern Region, created a latent division and animosity among the other tribes. This suspicion was fuelled by the fiery political rhetoric of the leaders of the movement and took hold of the psyche of the people. In spite of the various political and administrative changes in the region, mainly resultant from the creation of states, this mutual suspicion has refused to die. Also, the indirect rule system introduced by the colonial authorities meant that the emirs and chiefs wielded considerable power, which they exercised, sometimes capriciously and used, to alienate some of their subjects. This was the case in the southern part of what is now Kaduna state (then Southern Zaria), where the Emir of Zaria by virtue of the emirate system, appointed district and village heads for the communities as was the practice in most parts of the then Northern region. But the Southern Zaria communities, who were largely Christians and animists, did not feel comfortable with this. They suspected that the appointment of Muslim districts and village heads was part of an alleged grand plan to Islamise them. This suspicion simmered and finally boiled over into the Zangon-Kataf violent clash in the eighties. Successive Kaduna state governments have taken some measures to address this problem but mutual suspicion remains largely as a consequence of years of political mischief.

The creation of states between 1967 and 1996 sought to address the problem of domination and marginalisation. It was supposed to free the minority ethnic groups from the long shadows of the majority tribes. However, with each attempt to solve this problem, through administrative fiat, came new problems. Under the 12-state structure of the Yakubu Gowon administration from 1967 to 1975, Benue and Plateau provinces formed Benue-Plateau state; Kaduna state was part of the then North-central state made up of Zaria and Katsina provinces; Niger state, which is not part of this piece, was part of the then North-Western state. In 1976, the Murtala Muhammed administration created more states. The old Benue province along with the old Igala division, except the Wukari,

Nasarawa and Lafia divisions, became Benue State. Nasarawa and Lafia divisions were merged with Plateau State to ensure national unity according to the government. Wukari division was merged with Gongola State. Thus, for the first time since provincial administration was introduced by the colonial authorities in 1926, people, who had lived together for so long under one provincial administration, were separated. Creation of more states in 1991 and 1996 pulled the tribes further apart. Tied in with this was the creation of more local government areas in all these states. The consequences of the creation of local government areas were the same as those of the creation of states. What was thought to be the solution to a lingering political problem of domination were the following:

- a. New majority tribes emerged from among the minority tribes. Thus, the Tiv in Benue and the Jukun in Taraba states became the new majorities in their respective states. When new majorities emerge, they drive new minorities crazy, and fresh agitations for elbowroom on both sides inflame passion, giving rise to suspicion. The desire to protect ethnic rights in the new administrative set up soon became a serious problem and the clamour for new political/administrative succour started all over again.
- b. Stranger (or better known as non-indigene) elements became a factor in the states. For instance, the Tiv in Nasarawa and Taraba states found themselves regarded as strangers or settlers in those states. Ironically, however, the Gwari do not have the same problem in Niger, Kaduna and Nasarawa states. But the Hausas in Jos have the same problem as the Tiv.
- c. Closely connected with the problem of the settler element is the land question. Some of the ethnic conflicts in the North-central zone have been over farm and grazing land as has been so overtly displayed by the cattle rustler activities in recent times. Where farmland is scarce, "strangers" who are farmers have problems. When the various states were part of the single administrative units, the struggle for land among the tribes was not as vicious as it became soon after the states and local governments were created.
- d. While politics is a game of numbers, in Nigeria, it is also, unfortunately, more of a game of financial muscle. This has created a contradiction as the majority, who should be king makers, democratically lack the financial muscle to exercise the kind of influence that they should. Despite their numerical superiority, money politics dictates who the kings should be. Where a huge number is marginalised by money in a democracy, there is bound to be problems. This is the case in Kaduna and Plateau states and also the underlying fear in Taraba and Nasarawa states, thus

While politics is a game of numbers, in Nigeria, it is also, unfortunately, more of a game of financial muscle. This has created a contradiction as the majority, who should be king makers, democratically lack the financial muscle to exercise the kind of influence that they should.

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leading to violence.

- e. The chieftaincy institution is closely protected and coveted throughout the Northern states. The creation of states and local government invariably led to the whittling down of the powers of the paramount rulers in these states. Such loss of authority has not been taken lightly in Kaduna, Plateau and Nasarawa states. Equally important is the fact that the creation of new chiefdoms gave rise to agitations by groups that were hitherto marginalised to be part of the chieftaincy institution. The indigenes try to prevent this as is the case in Nasarawa where the Tiv insist on some chieftaincy rights with the other ethnic groups.

Poverty plays a significant part in the communal conflicts in this zone as economic opportunities are few and no major industries exist. The textile industry in Kaduna once absorbed thousands of unskilled and semi-skilled labour. Unfortunately, most of these textile companies have gone under, thus aggravating the unemployment situation in the North-central zone. Benue Cement Company Plc is virtually the only major industry in the zone. Ajaokuta Steel Rolling Company, which would have been the biggest industrial establishment in the region with multiplier effects on the economy and social development of the North-central zone in particular, has been frustrated and abandoned for several years now. No credible explanation has been given for the dismal failure of this project, which was expected to be the pillar of Nigeria's industrial development. The North-central zone is blessed with agricultural and mineral resources not available anywhere else in the country, however, these solid minerals remain largely unexploited. Under the laws of the federation, all mineral resources are vested in the federal government. State governments have no legal rights to exploit them even if they have the means to do so. The full exploitation of the solid mineral resources would help to diversify the country's revenue base and create an economic empowerment of the people, particularly as the poor are vulnerable and are easy targets for cynical manipulation by rich and desperate politicians and religious zealots. Miscreants and political thugs are usually bred from the poor and the disenfranchised class. Empowering the poor will seal off the supply and would make it impossible for political scoundrels to stir up ethnic conflicts and the evil derivable therefrom.

The above narrative shows very clearly that state creation in and of itself does not solve any of the marginalisation problems. As the creation of states and local governments has thrown up new inter-ethnic problems and exacerbated lingering ones by creating new minorities as old minorities are upgraded to new majorities. The idea of successive state officials in Nigeria (particularly the military regimes) regarding how best to achieve a strong nation-state, was the creation of more states or constituent units that give discrete people a sense of self-governance and local autonomy so that the processes of integration can proceed without threatening the cultural framework of

personal identity. The assumption is that whatever discontinuities, which might occur as a result, will not radically distort or destabilise political functioning. Some political scientists in Nigeria support this view, such as Isawa Elaigwu,²³ who argues that "attachment to the sub-national group is not necessarily detrimental to the development of a nation. In fact, the creation of states in Nigeria vindicates this point that sub-units could help promote a sense of nationhood and contribute positively to the process of nation-building. Perhaps the convergence of official thinking and system-wide pressure by separatist state agitators explains the increased segmentation of Nigeria's political structure from three regions at Independence in 1960 to four regions in 1963, 12 states in 1967, 19 states in 1976, 21 states in 1987, 30 states in 1991 and 36 states in 1996. In an attempt to rationalise the first countrywide state creation exercise in the post-colonial era, the official view was that: "With the creation of 12 states in Nigeria, the fundamental problems, which threatened to dissolve a political association of over 30 years, has been solved.

It is clear that the states represent a successful attempt to reconcile conflicting interests of the ethnic communities with their desire to participate in the federal process as one people. The new structure of states will provide the basis for welding together the heterogeneous communities of Nigeria into a nation. The internal structure of the new states will curb the excesses of any ethnic group and ensure peace and stability"²⁴. The post-colonial official rationale for the creation of more states did not depart much from their colonial roots. In the first nationwide exercise in 1967, five major principles were enunciated in the creation of 12 states.

1. No one state should be in the position to dominate or control the central government.
2. Each state should form one compact geographical area.
3. Administrative convenience should take into account the history and wishes of the people.
4. Each state should be in a position to discharge effectively the functions allocated to regional governments
5. The new states should be created simultaneously.

When the subsequent state creation exercise was announced in 1976, the Head of State (General Murtala Muhammed), in a broadcast to the nation, affirmed that the Supreme Military Council had accepted that Nigeria's future political stability would be enhanced by the creation of states. According to him, the basic motivation in the exercise was to

23 JI Elaigwu. (1985). *Nation Building and Political Development in Nigeria: The challenge of Unity in a Hetrogenous Society*

24 Mid-West State Government, 1968, quoted in Osaghae 1985:514.

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bring government nearer to the people²⁵. In the 1976 review, several additional principles were added to the above, namely:

6. Even development
7. The need to preserve the federal structure of government;
8. The need to maintain peace and harmony within the federation;
9. The need to bring government nearer to the people; and
10. The need to minimise minority problems in Nigeria²⁶.

Despite these principles and criteria, however, a number of questions need to be asked about the effects of state creation in Nigeria. Has the creation of more states led to even development? Do Nigerians have more peace, harmony and unity today than they had three decades ago? Has the creation of more states minimised separatist agitation? On the strength of the evidence, the answers to these questions are negative. A study carried out by Alapiki, had shown that the policy of state creation as a solution to the problems of national integration and local autonomy in Nigeria has failed. It demonstrated very clearly that Nigerians have been more concerned with creating boundaries of inclusion and exclusion as the quest for political power and the control of national resources have become more important than political integration. The present 36-state structure of the Nigerian federation is now an established fact. The explanation invoked is that given the history of state formation in Africa, the major focus of political identification and socialisation has not been addressed, instead it has further increased sub-national communal groups with substantially different institutions, cultures and history. Bringing these discrete groups together as a nation will entail overcoming primordial loyalties of tribe, culture and religion. The idea of a "nation" always implies integration, emanating from the creation of a sense of nationality that overshadows or eliminates subordinate parochial loyalties.²⁷

In the final analysis, given the challenges of very high cost of governance resulting from the excessive resources deployed to oil the numerous state machineries, the blood bath continuously witnessed every day through communal conflicts and the continued cries of marginalisation, it is a high time we stopped living in denial and agree that the multi-state experience has failed Nigerians politically, economically and socially. There is a need to be pragmatic about it as it is one key factor in the predicament of failure that befalls the nation. However, there is nothing sacrosanct about the existing divisions. Notably, India in 1956, collapsed its existing 29 states and territories into 14 unilingual

25 Daily Times, February 4 1976

26 Federal Government Views on the Report of the panel on creation of states, 1976:53

27 Alapiki H. (1995). Creation of more states and Political integration in Nigeria.

and indigenous states of equal status and five centrally administered territories based on the recommendations of a States Re-Organisation Commission²⁸. A similar experiment may represent progress in the search for a balanced federation in Nigeria. The existing six geo-political zones in Nigeria currently used by the political elites for regional identity and political mobilisation could be transformed into regions. This will hold better prospects for national integration and local autonomy in a federal system, especially as the states or regions would have enhanced ability to adequately discharge the functions allocated to regional governments. At the time of writing this chapter, a National Conference is again in progress in Nigeria. It is hoped that the political leadership will take advantage of this moment to recreate conditions that will foster national integration and a stable federal democracy. Ultimately, the key lies in the emergence of a dynamic and purposeful political leadership. As RL Watts has said: "Federations do not simply 'happen' because there are desires for unity. The activating of these desires and the achievement of federal union has in every case depended upon the appearance of such leadership, of statesmanship at the right time. Where such leadership has lacked vigour or the willingness and ability to compromise, the process of constitution-making has proved more protracted and controversial"²⁹.

With all that has been said about state creation, causing more problems than they have solved, it is not far-fetched therefore that the differences in religious persuasion alone do not quite explain some of the crises in the areas under discussion that are usually involved in religious clashes. The Jukun and the Tiv are mostly Christians. If religious differences were the sources of inter-ethnic problems, these two tribes would live in total harmony as Christian brothers and sisters. Crises in other communities, where people are of the same religious belief, show that the bond of religious affinity is not often strong enough to hold people together in the unending contest for social, economic and political advantages. The oppression of the poor majority by the rich minority has been deepened as a result of the re-emergence of ethnic champions. The long years of military rule in Nigeria witnessed attempts to rid the nation of rich tribal or ethnic champions. Rightly or wrongly, the military reasoned that the problems of the first republic, which they seemingly toppled on January 15, 1966, were traceable to the emergence of rich and powerful politicians, who championed the interests of their tribes to the exclusion of others. The military men tried to discourage this brand of politics and politicians. In 1978, the Obasanjo military administration prescribed that a political association, seeking for registration as a political party must have offices in at least two-thirds of the then 19 states of the federation. Both the Abacha and the Abubakar administrations prescribed the same condition. The Babangida administration simply decreed that only two political parties should exist. This

28 Ellah F. J. (1983). Nigeria and State Creation

29 Watts 1966:60

form of political engineering was an attempt to distance the new Nigeria (which each regime tried to build through the instrumentality of political association) from the first republic during which the three main political parties, NPC, AG and the NCNC, were regionally-based. The military authorities felt that this undermined national unity and made it impossible for the nation to forge a common political purpose. It can be argued that had the military not intervened in the political administration of the country, the three political parties might have become national parties by now, through the formation of alliances across the regions. A natural evolutionary process would have thus transformed them into national parties bound by common political causes if not ideology. However, in current post-military democracy, the plain fact is that ethnic political champions have re-emerged and it has undermined all the efforts made all these years to re-orientate the Nigerian psyche and promote national cohesion. It may well be that the instrument employed by the military to rid the nation of ethnic champions turned out, quite ironically, to make the process of their re-emergence possible. National unity and cohesion cannot be forced through laws that undermine the natural process. Human beings hate to be regimented into conformity. In a multi-ethnic nation like Nigeria with varying levels of development and neglect, any instrument designed to force unity is immediately resisted.

The emergence of ethnic champions is evidenced by the proliferation of militant youth groups whose avowed mission is to protect the interests of their tribes and overtly champion their ethnic political cause or causes. The Odua People's Congress (OPC), offers no apology for its determination to protect the social, economic and political interest of the Yoruba. The Igbos have Ohaneze, which seeks to advance and protect the political and other interests of the Igbo. In the former Northern region, there is the Arewa Consultative Forum, which seeks to speak for the North. The oil-producing areas have a good number of militant youth groups sworn to the defence and protection of the peculiar social, economic and political rights of their people. The best known of them is Movement for the Survival of the Ogoni People (MOSOP) in Rivers State, which internationalised the plight and the neglect of the oil-producing areas. The Egbesu and lately the Movement for the Emancipation of Niger Delta (MEND), were militant youth wings, which were the scourge of oil companies. These and other groups seek to dictate employment by the oil companies. Championing the political and other causes of the oil-producing areas has a long history that goes back to the mid-sixties when the late Isaac Adaka Boro attempted secession. The national unity of Nigeria has systematically been eroded by the fact that the contest for political offices has been reduced to primitive struggles among tribes with the following consequences:

Tribal loyalty: Tribe as a word was once a taboo, which was why the military rulers substituted "ethnic group" for "tribe" and this has turned out a futile attempt in creating a neutral word in the absence of any. The greatest upset to our national development is that the average Nigerian owes his primary loyalty to his tribe and not to his country.

Loyalty to tribe rather than country appears today more appealing to most Nigerians. Nigerians are not loyal to the community in which they live and earn a living. They may live in Lagos but still prefer to make their social and other contributions to their native communities rather than to their residual communities. The excuse (which may be valid in some cases), is that since they are not entitled to anything from their host communities, they owe them no social obligation. The indigene/non-indigene scuffle is centred on this very argument. The indigenes in turn argue that since they have nowhere else to go, they cannot allow settlers to enjoy the better of two worlds. This has to change if there is to be an all-inclusive sense of belonging. The government too does not help matters by asking for state of origin in all official applications and registrations. Some people were born outside their state of origin and may in fact never have visited that state but sad to say they are given no rights outside their state of origin. This is regrettable and is a veritable source of conflict.

The greatest upset to our national development is that the average Nigerian owes his primary loyalty to his tribe and not to his country.

Ethnic-based politics: As a consequence of the above, and also the fact that Nigerian politics is devoid of any ideology or principle, the contest for political offices at the local and national levels is ethnically-based. Agitation by tribes to produce a Nigerian president does nothing but grievous harm to the concept of national leadership. A Nigerian leader must necessarily come from a tribe but a tribal champion, who becomes a Nigerian president, is not the kind of leader befitting the country. The same thing should apply in the states as it affects the election of governors and local government chairmen.

Labour immobility: Restriction on mobility of labour amounts to the protection of ethnic turf. This denies qualified Nigerians the opportunity of working in states other than their own. Here too the little gains made in the second republic when, for instance, Governor Mohammed Goni of Borno State, appointed a Yoruba man as his attorney-general and commissioner for justice have been lost. Borno and Plateau states even had Igbos as chief judges. Benue had a Yoruba from Kwara State as chief judge. Some states prefer to employ Nigerians from other states on contract terms. Expatriates are even preferred to Nigerians in some cases. This is not healthy for nation-building.

Agitation by tribes to produce a Nigerian president does nothing but grievous harm to the concept of national leadership.

Failure of the National Youth Service Corps: NYSC, the longest surviving government programme in Nigeria, was introduced by the Gowon administration in 1973 to expose our young people to the lives and cultures of other Nigerians and thereby

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engender national understanding and unity. This laudable objective of the NYSC is being systematically eroded by parents, guardians and other opinion leaders who do not believe in allowing their children and wards to serve in other states for one reason or the other, thus defeating the core objective of the NYSC scheme, thereby allowing primordial prejudices to fester.

The breakdown of the rule of law, and abuse of human rights, has jointly fuelled communal conflicts. Rule of law connotes respect for the general order of law. It was one of the thoughts of Aristotle that the "rule of law is preferable to that of an individual". In the 13th century, the glory of the exposition of the concept was given to Bracton who made a brave declaration that: "The king himself ought not to be subject to man, but subject to God and to the Law, because the Law makes him king". Expanding the ideology beyond the 13th Century concept, A.V Dicey popularised the concept and presented it in a sense in which it is now understood in the modern days. In his reasoning, he put forth three principles of absolute supremacy of the law, equality before the law and civil liberty of fundamental human rights to explain the purport and connotation of the theory.³⁰ Rule of Law embodies the following:

- Supremacy of the law
- Equality before the law
- Separation of Powers
- Fundamental Human Rights and
- Strict Observance of Due Process

In the layman's language, rule of law means that everything must be done in accordance to the law of the land. It means equality before the law, irrespective of class, status or influence. Under this concept, the pronouncements of the courts over any issue are supreme and when a matter is submitted to the court, all interested parties must fold their arms and allow the court to do its duty without interference. It also means that obligations that are in court under the law must be fulfilled. In constitutional democracy, it means there is the supremacy of the constitution over any other laws, norms or conventions.³¹ Peace can be said to exist only when the citizens are free from all forms of violence, be it political, economic, legal, social, or religious. The rule of law is therefore an indispensable tool as it is the cornerstone of peace and progress. There cannot be any development anywhere without peace. Peace can only be attained when law and order are maintained. On 8th June, 1992, the High Court of Lagos State through Hon. Justice A. A. Aka, painted the

30 Yusuf Ali (SAN). *The Rule of Law and Peace Building in Nigeria: The Role of the Bar*

31 Yusuf O. Ali op cit. See particularly his interview of Monday, 19 May 2008 in Dolapo Ekanade a-d Bukola Olajide, "Tribune Law Interview with Mallam Yusuf O. Ali (SAN), NigeriaTribune 19 May, 2008 pp26-27.

nexus between the rule of law and peace in the following admirable, instructive and energising words: "It is this court's view that the right to life, right to personal liberty, right to freedom of expression, thought, conscience and religion, right to lawful and peaceful assembly and association which are vital to human existence and democracy in this nation cannot be compromised. On the other hand, chaos and unruly behaviour should be stamped out. It is not an instrument of civilisation and the Rule of Law. No nation can thrive and progress without peace"³².

According to the 2003 report on violent conflicts in Nigeria as collated by Peace and Development Projects (PEDEP), Nigeria has always witnessed violence in the following forms:

- Political and Electoral Violence
- Communal Clashes and Ethnic Clashes
- Civil Disturbances and Violent Clashes
- Intra and Inter-Faith Conflicts and Religious Violence
- Campus cultism and Violent Activities and
- Violence Associated with Social and Economic Conflicts.

A careful study of the causes of the ethnic and communal violence that has been discussed has the disregard for the rule of law as the root cause. Apart from the above, disregard for the rule of law also features in other circumstances, which must equally be addressed if the nation, must rid itself of violence and accomplish its peace-building effort. Every act of violation of human rights (and these are common today ranging from detention without trial and forcefully seizure of newspapers meant for circulation etc.) are sheer disregard for the rule of law and a threat to national peace and security. In as long as the executive arm of government continues to disobey court rulings, people will resort to violence.

Peace-building by civil society through the vehicle of the rule of law can be achieved from the following:

- a. Promotion of Democracy and Good Governance
- b. Advocacy for Good Governance
- c. Vanguard in the Anti-Corruption Crusade
- d. Educating, Orientating and Creating Better Awareness on the Rule of Law among Nigerians
- e. Continued Persuasion of Settlement Options
- f. Promotion of Social Justice
- g. Advocating the Ideology of Unity in Diversity.

32 EP's 2003 Annual report.

Reluctant friends

Police are the most visible governmental agents through which the character of a government and political system may be assessed. This is so because the police are the guardians or vanguard of the society. To a large extent, the actions and behaviours of the police reflect the political and economic character of society as well as what those in power are willing or able to tolerate or condone. An adequate analysis of the problems and challenges of any police force should start with the appreciation of the history and dynamics of its development. The history of the police force in Nigeria indicates that the various forces were established, organised and maintained by colonial and post-colonial governments, primarily for maintaining order that engendered repression – a culture of impunity, corruption, incivility, brutality, lack of transparency and accountability. While these traits served the masters of the police at that time, it has become impossible to change the mind-set of the police even with the new leadership after Independence. The consequence is that the police instead of being servants of the people have become their masters. This in and of itself has created cynicism in the minds of the people about the police such that all the campaign that “the police is your friend” has fallen on deaf ears.

The military transferred power to an elected government in May 1999. A new constitution also came into effect on that date. The new constitution contains provisions on the Nigeria Police Force (NPF), the Police Council and the Police Service Commission. Section 214(1) of the 1999 Constitution provides that:

“There shall be a Police Force for Nigeria, which shall be known as the Nigeria Police Force, and subject to the provisions of this section, no other police force shall be established for the Federation or any part thereof.”

The functions of the Nigeria Police Force were specified in section 4 of the Police Act (*Laws of the Federation 1990*)³³ as:

1. Prevention and detection of crime.
2. Apprehension of offenders.
3. Preservation of law and order.
4. Protection of life and property.
5. Enforcement of all laws and regulations with which they are charged.
6. Military duties within or without Nigeria as may be required of them.

Although the Constitution granted the Attorneys-General the power of prosecution, most of the criminal cases in the country handled by the lower courts, especially the magistrate

33 The Law was first enacted in 1943 and there had been only very minor modifications

courts, are prosecuted by the police. Several laws in the country, especially the Police Act, Criminal Procedure Act (CPA) and the Criminal Procedure Code (CPC) granted the police wide powers. The goals, performance, problems and challenges of policing are determined by the social, economic and political structures of society. For example, the police are subject to the dictates and interests of those who control the political and economic resources of society. The ability of the police to respond to popular demands of citizens as opposed to their subservience to the interests of political and economic power holders is determined by the extent to which political and economic resources are equitably distributed and the citizens afforded opportunity for participation in the determination and implementation of public policies. As discussed, the lack of inclusiveness in the economic fortunes of the country coupled with the greed of the elites, have cumulatively bred a deprived majority, thus making the work of the police a very difficult one. In Nigeria, the police have not been able to respond to the challenges of policing because of the following structural constraints:

- a. Poor economic performance.
- b. Widespread corruption and contingent disastrous consequences on economic and political development and human security generally.
- c. Economic insecurity and instability, diminishing opportunities for gainful employment, and declining standard of living, since the early 1980s.
- d. Inadequate and deterioration of energy and transportation infrastructure, which are useful for crime prevention and control by the police and the public.
- e. Culture of impunity for all manners of serious political violence (political assassination, human right violations, electoral violence, ethnic and religious violence, oil bunkering, illicit trafficking in arms for electoral violence, extrajudicial killings); economic crimes (corruption, fraud and money laundering), and human rights violations, due to the political and economic influence of the perpetrators.
- f. Weak capability of security and law enforcement agencies in combating common crimes (kidnapping, robbery, burglary, theft, sexual violence, etc.).
- g. Deterioration of the social infrastructure leading to increased social injustices, crime, oppression, feeling of insecurity, widening inequalities, and inequities.
- h. Deterioration in educational infrastructure with the consequent decrease in the quality and standard of education thereby making constructive engagement of the teachers and students in the pursuit of academic excellence very difficult, with the resultant lack of critical problem solving engagements of teachers at all levels
- i. Proliferation of ethnic and religious militias, and
- j. Proliferation of small arms and light weapons that are deployed for executing ethnic and religious violence, communal conflicts, robbery, kidnapping, electoral violence, etc.

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The above issues are deep-rooted and are embedded in the political, social and economic challenges facing the country, which in part are manifested as criminal activities that are well beyond the capabilities of police resolve within the normal policing engagement. In these circumstances, the demands on the police to effectively guarantee public order and security cannot be met until the crises are resolved at the political and economic levels.

Policing in Nigeria is also beset by several institutional problems that undermine the effectiveness and legitimacy of the Nigerian Police Force. They include:

Police organisation and management: Organisation and management of the police force in terms of vertical and horizontal decentralisation and coordination of authority have implications for police behaviours, performance and image. The nature of rules of policing established by the police force, adherence to these rules, rewards or punishment for compliance or non-compliance, influence police discipline, integrity, effectiveness, performance and legitimacy, including public acceptance and support. The Nigeria Police Force (NPF) needs to do a lot more in developing its organisational and managerial capacity to meet demands and challenges of policing in the country. In some instances, the organisational challenges are also political. For instance, at the state level, the governor is the chief security officer of the state. The Commissioner of Police of the state is responsible to the Inspector General of Police who is based in Abuja and is responsible to the President of the Federation. This has created reporting friction at the state level making it difficult for the state security duties to be seamlessly discharged.

Police personnel management: The rules and provisions for recruitment, training, deployment, remuneration, promotion, pension and retirement affect police discipline, performance and image. In Nigeria, these issues do not seem to attract adequate and continuous attention. Supervision and coordination are generally lacking. Corruption, partisan and parochial considerations have contaminated the process and decisions relating to recruitment, deployment and promotion in the Nigeria Police Force, thereby dampening motivation and commitment to excellence, efficiency, sacrifice and integrity in discharging their duties. But a particularly healthy development that indicates an emerging new Nigeria police is the increasing number of highly qualified people in the force who are gradually being given leadership positions. If properly nurtured, this may in fact be an important factor in the development of a new Nigerian Police Force that is in harmony with the community it serves. The anti-intellectualism and anti-rationality, however that have long been embedded in the country's police force may still extinguish the new light, if the Police Service Commission and the police leadership fail to nurture the positive development.

Information management: The ability of a police force to manage information re-

lating to socio-economic and political trends and to relate such information to the trend, pattern and severity of crimes will determine its capacity to plan and implement crime prevention, detection and control policies, strategic plans and operations. Furthermore, the ability of a force to disseminate appropriate information about crime patterns and trends, efforts and handicaps at promoting crime prevention and control, will affect police public relations, public support for police as well as police efficiency. The NPF has continued to neglect this critical area, resulting in operational strategies being dependent on guesses instead of science or systematically produced and acquired knowledge.

Personality of police personnel: The personality of a police officer influences his or her behaviour, performance and relationship with the public. This is why in many societies, potential recruits are subjected to a battery of psychological and other tests, with a view to determining their emotional stability and social relation competence. The Police Service Commission and the Nigeria Police Force need to review the recruitment process in order to ensure that only those that can meet the challenges of police work in Nigeria, at present and in the near future are recruited. It will be a waste to recruit an individual who does not possess adequate academic qualification, strong emotional and moral qualities and a patriotic commitment to Nigeria, in an age or era characterised by cyber-crimes, sophisticated and technology-assisted financial crimes, piracy, terrorism and espionage.

Police culture: A constellation of structural, institutional and personality factors create what has been variously referred to as police culture. Police 'working personality' and culture result from the elements of police work -- danger, authority and isolation. Police-work breeds solidarity and occupational pathology characterised by perceptions of the public as being "uncooperative, unsupportive and antagonistic" towards the police. In Nigeria, this engenders a tendency by the police to protect each other's criminality and misconducts. As a result, the integrity of the police is undermined and a culture of impunity is entrenched. These institutional problems are critical to the attainment and sustenance of an effective police force, and deserve serious consideration and attention by the government and police leadership.

The structural and institutional constraints enumerated above have engendered crisis for the police in the areas of performance, integrity, accountability and legitimacy as discussed below.

Performance: Nigerian police performance is considered unsatisfactory by many. Not a few consider the police as ineffective and inefficient in their job of crime prevention, criminal investigation, detection and response to distress calls by citizens. The perceived poor performance is due to several factors, but can mainly be put down to inadequate personnel in terms of quality, quantity and competence at various ranks; poor training and

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conditions of service; lack of public co-operation; grossly inadequate logistics (especially transportation, telecommunication, arms and ammunition, forensic facilities etc.), poor remuneration and lack of welfare programmes. There is need for better training to reflect the functions and demands of the force. Further, there is also need for the training of the Non-Commissioned Officers (NCOs) and other officers to improve their management capacity, to properly administer limited or scarce human and material resources for satisfactory performance.

Integrity and accountability: The crisis of integrity and accountability manifests in terms of perceived police corruption, police incivility and brutality, and police-public antagonism. As a result of its colonial history and protracted military rule, the Nigerian police has not developed the culture of accountability to the public or citizens. The force has been severally criticised for its brutality, corruption, extortionist tendencies, incivility, extra-judicial killings and impunity.³⁴ The officers need to be properly trained and re-oriented to the value of democratic accountability, respect for human rights, and observance of rule of law, civility, and public assistance. In addition, erring officers should be promptly and fairly dealt with to serve always as a deterrent to others.³⁵

Police corruption: Police corruption has been defined as "... the misuse of authority by a police officer in a manner designed to produce personal gain for himself or for others"³⁶. Police corruption comes in the form of "improper political influence; acceptance of gratuities or bribes in exchange for non-enforcement of laws, ... particularly those relating to gambling, prostitution and liquor offences, which are often extensively inter-connected with organised crime; the fixing of traffic tickets; minor thefts; and occasional burglaries."³⁷ Corruption by police is a worldwide phenomenon as criminological researches have shown. However, the extent, types and pattern of police corruption vary across societies, reflecting the wider social, economic and political structures of individual nations. Police corruption has been a serious concern to the police authorities in Nigeria, and this has routinely purged the force of known corrupt

34 See T. N. Tamuno. (1970). *The Police in Modern Nigeria*. Ibadan: University of Ibadan Press E. E. O. Alemika (1993) *Colonialism, State and Policing in Nigeria Crime, Law and Social Change* 20: 187 - 219; Kayode, O. (1976) *Public Expectations and Police Role Concepts: Nigeria* Police Chief (May): 58-59. Odekunle, F. (1979) *The Nigeria Police Force: A Preliminary Assessment of Functional Performance International Journal of Sociology of Law* (7): 61-83. Ahire, P. T. (1991)

35 It is recognised that the police force has tried to 'purge itself of bad eggs' but this is not adequately made visible to the public, thereby creating the perception that the force always protects its errant officers.

36 H. Goldstein (1975) *Police Corruption: A Perspective on its Nature and Control* Washington: Police Foundation

37 (1967). U. S. President Task Force Report on the Police p.208

officers. Given the country's political and economic environment as well as institutional inadequacies, there is the general perception that police corruption is pervasive.³⁸ The police is charged with the responsibility to detect and punish criminal offences. However, as measured by Transparency International, correctional institutions (police, judiciary, executive, legislature etc.), whose responsibility it is to ensure the promotion of rule of law and ensure a corruption-free society are the most corrupt simply because of the misuse of their discretionary and oversight powers. This is particularly objectionable on the part of the police because it is their occupational responsibility to prevent and eliminate corruption. They should not be responsible for its spread, entrenchment and legitimization as a norm of social and official interactions.³⁹ Police forces must deal sternly with corruption. While inadequacies of infrastructure and under-funding contribute to the extent and public perception of police corruption in the country, these cannot justify the disgraceful leprous handshakes between commercial vehicle drivers and police officers at check-points. This form of corruption has caused grave damage to the public perception and assessment of individual police officers and the entire police force. These are serious problems that the police authority, government and the society must address, and eliminate the factors that cause and sustain them. Closely related to the problem of corruption and extortion is the incidence of collusion or conspiracy between some police officers and criminals. Both the police authority and the government must sustain and invigorate the efforts to rid the police force of "criminals in uniform". To this end, it will require better recruitment practices, higher remuneration and better working conditions, including a promotion regime that places emphasis on intellect, competence, integrity and good relationships with the community in order to boost morale and enhance commitment and service.

Police accountability: Police transparency and accountability depend on the level of openness of the government. Transparency refers to openness of governmental agencies in the formulation, implementation and evaluation of policies, programmes and decisions. It implies a system that is compliant with the rule of law as well as popular participation. These are the natural elements of democracy and good governance. Lack of transparency in the behaviour of governmental agencies engenders and promotes corruption, mismanagement, arbitrariness, and repression which thrive under conditions of extreme secrecy. In the absence of democratic government, it is futile to expect transparency on the part of the police. This is because transparency is an aspect of accountability. Only a democratic system, which embodies popular participation and control of the citizens in

38 For a detailed consideration of corruption within the police and other criminal justice agencies, see A. A. Adeyemi (2001) "Corruption in the Administration of justice in Nigeria", paper presented at the National Conference) 20 Alemika, E E O (1999) Police Community Relations in Nigeria: What Went Wrong? Paper Presented at the Seminar on Role and Function of the Police in a Post-Military.

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and over their governmental institutions, can foster transparency. In general, transparency and accountability on the part of the police demands that they explain and justify to the citizens their priorities, actions, tactics and problems so that the citizens may understand, accept and support their activities and decisions. To realise these, a democratic space for police-public interaction must exist beyond coercive encounters during enforcement of law and order. The relationship between the police and the public is generally hostile. This is due to the historical legacy of oppression and continued citizens' experiences and misconceptions of police roles.⁴⁰ One of the major hindrances to police legitimacy is police incivility or brutality. In a workshop on Law Enforcement and Human Rights in Nigeria, organised by Civil Liberties Organisation, it was reported that police brutality is common in the course of crime control, crowd control, management of protests and demonstrations, and investigations at checkpoints.⁴¹ They noted also that police brutality occurs in the form of extra-judicial killings, summary execution of suspects, and revenge killings. During criminal investigation and interrogation, police use torture to extract confession and information, due to a combination of poor training, inadequate infrastructure, and absence of respect for due process and human rights.⁴² A policy remedy for the police-public antagonism is to adopt community policing philosophy and infuse it into all aspects of policing. The basic characteristics of community policing are: organisational decentralisation; increased intimacy between police officers and citizens and neighbourhoods; receipt and interpretation of citizens' demand for individual patrol officers; and development of patrol and policing tactics (problem solving, for example) by patrol officers at a neighbourhood and community level. All of these characteristics require increased officer use of discretion and empowerment of patrol officers.⁴³ Community policing entails democratisation of public policing by promoting accountability and participation. It seeks to practicalise the idea of people's police, which is not a public police controlled by the federal, state or local governments, but instead by the citizens. It is not an ethnic or state indigene police force.

On the contrary, it is a police service that is keenly aware of and sensitive to the needs of the community and committed to working with the community members to mitigate their fears or concerns about safety and security. Community policing promotes co-production of knowledge by citizens and their police. They jointly diagnose problems, identify and implement solutions. Citizens bring to the relationship their sense of community, knowl-

40 Alemika, EEO and Chukwuma I. (2000). *Police Community Violence*. Lagos Centre for Law Enforcement)

41 Ibidapo-Obe, A. (1995). *Police Brutality: Dimension and Control*.

42 C Nwankwo, D. Mbachu, and B. Ugochukwu. (1993). *Human Rights Practices in the Nigerian Police*. Lagos: Constitutional Rights Project

43 G L Kelling, R. Wasserman and H. Williams. (1988). *Police Accountability and Community Policing* Perspectives on Policing No.7, p.1 U.S.A National Institute of Justice

edge about problems in their neighbourhoods, their own capacities to solve problems, and the potential to support or authorise police actions. Police communicate their challenges to the people not only for their own good but also for their constitutional rights, and welfare of individuals and community. Community policing can foster police efficiency, promote openness or transparency and accountability, reduce police corruption, incivility and brutality and the police thereby earn legitimacy and public respect.

Legitimacy: As a consequence of the challenges discussed above, the Nigeria police are confronted with legitimisation crisis. The legitimacy of the police depends on several factors, including the following:

1. Effectiveness and efficiency in the prevention and control of crime, in the detection, apprehension and prosecution of offenders
2. Scrupulous observance of the rule of law
3. Recognition and protection of the dignity and rights of citizens
4. Accountability to the citizens
5. Civility and incorruptibility
6. Concern for the general welfare of citizens.

When these conditions are satisfied, the public accords the police legitimacy and support, and their performance is enhanced. Some of the factors that create and sustain these pre-conditions for public support are beyond the police. Such factors include democratic and good governance, good and responsive laws, economic and technological development, deeply ingrained socio-cultural values for justice and equity, compassion and political tolerance. In Nigeria, these conditions are largely absent. Consequently, the Nigeria police suffers deficit of public legitimisation and support. The public does not command respect, trust and support the police because their performance is poor. Also, the public regards the character and level of accountability of the police as grossly unsatisfactory. The police in the nation are generally feared but not respected, distrusted and despised by the Nigerian public. Police training must therefore, re-orientate the force so that officers of all ranks can respect the rights of the citizens, offer assistance to citizens in distress, desist from brutalising citizens and break free from corruption. Effective supervision is also necessary for tackling the crisis of legitimacy confronted by the police.

In conclusion therefore, it must be said that Nigerians desire and deserve an efficient, courteous, well-equipped and appropriately remunerated police force, if the rule of law is to be enthroned, and the resort to self-help and communal conflict must be averted. However, numerous structural constraints as well as organisational inadequacies such as poor training, poor remuneration and working conditions, scarcity of and poorly equipped office and residential accommodation, inadequate transportation and communication

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facilities, obsolete firearms and inadequate ammunition within the Nigerian Police Force continue to engender police ineffectiveness, inefficiency and even insensitivity, all of which create a lasting negative police image. The White Paper on the Reports of the Presidential Committee on Police Reform in 2006 and 2008, if properly implemented, will go a long way in solving many of the identified problems. The police, the government and the national and local community need to evolve a comprehensive strategy for the development and sustenance of measures for anti-corruption, transparency and accountability in the Nigerian Police Force. The Nigerian Police Force should re-introduce the Constabulary Service provided for by the Police Act, as volunteer service, to stem the proliferation of ethnic and religious vigilantes as well as community based crime watch groups that try to control crime with violence. This will bridge the gap between the police and the public and also meet the needs of the police for increased highly qualified and community-based personnel without significant cost. It will also provide information for effective crime prevention, detection and control at the local or neighbourhood levels.⁴⁴

The distrust that the public has for the police has taken a dangerous turn, given the resort to jungle justice by the people. This distrust is evidenced in the barbaric act that leads to

When human rights are violated or unevenly protected, the state is failing in its ultimate responsibility.

“instant justice” characterised by “verdict of death sentence by lynching without evidence in a properly constituted court of law”. Unfortunately, these acts are carried out by misinformed and less educated people. Majority of Nigerians are of the opinion that taking the law into one’s hands is not the best way to ensure justice and have agitated for severe penalty for these acts, clamouring for a strong media campaign as the police have proved incapable of stopping this jungle justice. *The News* magazine of 9th June, 2014, reported some alarming stories of instant jungle justice.

A few of these stories are restated here for a clearer insight into this gory and sad tales. “Incidents relating to jungle justice have recently been taken as part of national discourse. Within three months, over 38 cases of jungle justice have been recorded around the country, with the South-western part experiencing more incidents. While some have survived to tell stories of their experience, others, unfortunately, have been lynched or burnt beyond recognition. One of such incidents happened along Ekor Road in the Abule-Egba area of Lagos. As reported by *PM News*, a sister publication to *The News* magazine, the elderly woman involved was attacked by a mob on the morning of 6th May, 2014, based on the suspicion that she tried to kidnap three school children

44 Police Reform in Africa: Issues and Challenges. Presentation at the Police Reform in Post-Conflict African Countries Conference, March 12-15, Pretoria, South Africa. Alemika, E. E. O. (2010). History, Context and Crises of the Police in Nigeria.

on their way to school. Her alleged plan was foiled when a bread seller, who suspected her movement, raised the alarm. As reported, the woman was stripped nude and beaten to a pulp. Her assailants were further incensed when information got to them that the woman was the owner of a sport utility vehicle in which some dead children had been discovered. The merciless crowd hung a tyre around her neck, poured petrol on her and set her ablaze in the presence of hapless policemen. The security men had actually been drafted to quell the violence against the unknown woman, but they met stiff resistance from the agitated crowd. After the deed, it was discovered that the woman had no car, as the frenzied crowd had been made to believe. "She may have been innocent," Idowu Sanni a residence of the area told this magazine. "We only looked on in pity as blood flowed from her body. At a time, she could no longer talk. She merely looked as they set her on fire. But we have been told that she has no car and in fact, she could be innocent of this allegation that led to her being gruesomely killed".

The multiplicity of states has only succeeded in increasing the cost of government with more and more resources of government devoted to recurrent expenditure to pay salaries and meet administrative overheads.

Just a few days ago, residents of Sabo in Atiba Local Government Area of Oyo state reportedly set one Lateef Gbadegesin, a former counsellor in the old Oyo Local Government Area, and Abideen, popularly called 'Blood', ablaze for attempting to kidnap one Anike, a young girl who they had allegedly convinced to take them somewhere. However, the family of Gbadegesin are now demanding justice, arguing that their family member was not a kidnapper but a customer to Anike's mother.

The same day the two were killed, a middle aged woman, popularly called Aya Baba, who was believed to be mentally ill, was set ablaze by youths in Ondo West Local Government Area of Ondo State for an alleged failed attempt to kidnap a teenage boy. In Ilorin, the Kwara State capital, a magistrates' court has remanded six persons in prison for allegedly setting one Saka Sheu ablaze, in what is believed to be jungle justice⁴⁵. The police are not of much help in such situations, and this results in the loss of confidence the people have in the security agencies. Again, it is an indictment of the judiciary and the police as it is a testimony to the fact that people are getting impatient because of sad experiences in court. A situation, where court cases are delayed endlessly, using flimsy excuses to obtain adjournments and the police are not doing the right things, is so deplorable that the people no longer have confidence in those institutions - the courts and the police force. Jungle justice is dangerous because of its consequences, and with time, it becomes a tool to avenge targets.

45 The News Magazine

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With its rise, the strengthening of all institutions responsible for maintenance of security, peace and justice in Nigeria is imperative. Jungle justice usually often affects police investigations as evidence is destroyed (when a human being with a tyre round his neck is set ablaze burnt to ashes), thereby compounding the situation. A statement released by the police stressed that the force is “deeply concerned about the increasing resort to extra-judicial killings - jungle justice – against those suspected to have committed one crime or another in Nigeria. The Inspector-General of Police (IGP), MD Abubakar, has warned citizens to desist from such reprehensible acts... The IGP warns that any person found to be involved in any act of impunity or jungle justice must bear the full wrath of the law as two wrongs cannot make a right. Abubakar said anyone arrested on suspicion of committing a crime must be handed over to the police, which would prosecute such suspected persons. He also called on the human rights community and civil society organisations to live up to their responsibility of enlightening the public on the dangers and consequences associated with engaging in jungle justice”. The Lagos state government has also sounded a warning through Ade Ipaye, the state Attorney-General and Commissioner for Justice: “The full weight of the law would be brought to bear on anyone henceforth caught engaging in jungle justice, no matter what the alleged criminal could have done. The mob may well be wrong and the helpless victim maybe anyone’s child or relative. Even if they did commit the alleged offence, there is a process for prosecuting and showing the evidence in court so that proven criminals can be properly punished according to law.” Jungle justice epitomises a sad failure of the police force and the justice system and a key element in the perception of human rights violations and the breakdown of the rule of law, which amount to a major signal in the way people evaluate the country as a failing state particularly when cumulated with communal conflicts, Boko Haram tragedy and state creation. When human rights are violated or unevenly protected, the state is failing in its ultimate responsibility.

Ineffective solution

It is now clear that ethnic conflicts have become major problems in Nigeria. The creation of states which was considered a panacea to the regular complaints of marginalisation has worsened the situation as each state creation exercise creates a completely new set of marginalised minority. Every hamlet cannot become a state. The multiplicity of states has only succeeded in increasing the cost of government with more and more resources of government devoted to recurrent expenditure to pay salaries and meet administrative overheads. This in turn implies that with less and less to spend on the people, human development index has dimmed negatively. The standard of education has fallen, hospitals have been reduced to consulting clinics and the infrastructure

Poverty like hunger, does not know South or North, East or West. Similarly, a bomb planted indiscriminately does not select who to kill and who to spare.

has collapsed. Even with a rapidly growing economy, the rate of poverty has risen astronomically while unemployment, particularly youth unemployment, has ballooned. With the increasing rate of poverty and illiteracy, the rule of law has collapsed and given way to the rule of the gun. It should be clear to any patriot by now that something drastic needs to be done and pretty quickly. It is imperative that the country be freed from the clutches of political and social retrogression, which in themselves have now snowballed into economic retardation of the people and a rise of brother against brother in an unprecedented manner. Nigeria faces a very complex situation that is becoming more complicated daily and it requires the need to set history and the past behind, and be bold to hold hands and move into the future as one indivisible country as one body. It is often said that when the nose is hurt, the eyes are affected alongside the ears. Poverty like hunger, does not know South or North, East or West. Similarly, a bomb planted indiscriminately does not select who to kill and who to spare. The Nigerian people therefore all share the same fate. In such circumstances, the following solutions are recommended:

1. **Economic empowerment:** The vulnerability of the poor is the number one problem. A comprehensive economic empowerment of the poor and the economically disadvantaged part of the country should be considered. This has been a recurring theme in this book and it is the conviction of many that a “marshal plan” for the North will not be out of place in order to create a more inclusive development. Employment, industrial and commercial opportunities will deplete the number of recruits for communal and other conflicts in areas prone to them. True human freedom is freedom from poverty and hunger. Such freedom does not entirely guarantee the absence of conflicts but it minimises them to a manageable level. Poverty eradication is a long-term process but it must be commenced with seriousness. It cannot yield to government contributions except if it is carefully targeted to support improved education and primary health care. Over all, what is required is the deliberate action of finding a way to encourage the urgent exploitation of the mineral and other resources across the country for the benefit of the people.
2. **The “indigene” question, (also known as the non-native syndrome) is a national disgrace.** It gets more pronounced in areas where non-indigenes are at the commanding height of the local economy. This was the case on the part of the former Eastern Region that became Rivers State. The difficulty faced by the Igbo after the civil war in reclaiming their landed property was as a result of the resentment of the indigenes who felt that the Igbo

If Nigerians are continued to be regarded and treated as strangers or non-natives in states other than their own, all the seeds of discord and conflicts will always have a fertile ground to germinate and grow into monsters of frightening proportions.

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“strangers” had unjustly deprived them of their rights to their own land. When the opportunity came for them to repossess their land and the property thereon, they grabbed them with both hands and refused to give them back to their original owners at the end of the civil war. The feeling by “natives” that “stranger” elements marginalise them, fuels discontent and resentment and ultimately leads to violence against the non-natives at the least provocation and quite often at the instigation of local champions. This problem needs to be addressed constitutionally. If Nigerians are continued to be regarded and treated as strangers or non-natives in states other than their own, all the seeds of discord and conflicts will always have a fertile ground to germinate and grow into monsters of frightening proportions. It was once proposed that anyone who had lived in the state for a period of 20 years should become an indigene and entitled to all the rights and privileges of the indigenes of the state. There should be a constitutional provision which stipulates a residency qualification for all Nigerians who live and earn a living in states other than their own.

3. **State-ism versus nationalism.** As discussed earlier, most Nigerians owe their loyalty to their states of origin perhaps because of the “non-indigene” status that they attract where they have lived all their lives. The national interest is reckoned with, only for purposes of sharing either in the national cake or when tribal feeling dictates that it is the turn of their tribe to produce the next person to occupy a particular office – a situation that has been compounded by federal character and zoning. “State of Origin” including demands for “tribe or place of birth” should be deleted from all data gathering information in Nigeria, as they compound the ethnic and state-ism challenge.

4. If the first generation of political leaders are fondly remembered as nationalists, why then do the current political leaders take pride in being called tribal champions? Something

It is necessary to do everything possible to re-educate and re-engineer the minds of the press to see itself as a responsible and critical agent of national stability and brotherhood among the various tribes in the country.

must have gone wrong. There is need to turn the table around and very quickly too. States and local governments are administrative units meant to facilitate the development of the country. It is wrong for the country to be subordinated to these administrative units, no matter what importance is attached to them, even as they have now become very weak federating units. There must be a way to evolve a national ideology which puts the nation first, and no stone should be left unturned in achieving this.

5. **Re-engineering the moral compass of the elites.** The problem of Nigeria is caused in the main by the greed and short-sightedness of the elites. The acquisitive tendencies of the elites are mind-boggling. The elites cause shortages for the nation and the hapless

people in order to continuously feed their insatiable appetites for cars, houses and all the vain assets that they really do not need. The elites have also been accused as being the causes of most of the social, political and even religious problems perhaps to create enough confusion so that they can continue to feed by their greed. The elites need to appreciate their role in the society as mentors and opinion leaders. The young are looking up to them as role models and they present themselves very poorly to be inadequate role models. This, however, is a signal that the future is already being imperilled. Those of them who mislead the people because of short-term political and other personal gains and benefits must be made to realise the harm they do to the collective interests. The elites must be more positive or at least, less negative in their attitude to national issues.

6. **The press.** The press is a fundamental instrument of mass education or, for that matter, miseducation and misinformation. All our efforts at rebuilding the nation and re-orientating the people would be a massive failure if the press continues to play its role negatively. The press urgently needs re-education on its approach to, and attitudes towards, issues of grave national importance. A consistently negative attitude by the press has helped in no small measure in fuelling and sustaining ethnic conflicts in various parts of the country. Indeed, some people have gone as far as suggesting that some of these conflicts were directly traceable to the role of the press itself, when it built huge mountains out of insignificant mole hills. It must be admitted that the press is vulnerable and has consistently been manipulated by crisis-mongers and ethnic champions down the length and the breadth of this country. A country gets the press that it deserves. With the poverty everywhere, a "brown envelope" (even a poorly stuffed one), is all that is required for some pressmen to fabricate stories and it is these small things here and there that cause conflicts! Such people plant and promote false stories in the press. Minor disagreements within and between tribes are unduly exaggerated with frightful banner headlines in the newspapers. It is necessary to do everything possible to re-educate and re-engineer the minds of the press to see itself as a responsible and critical agent of national stability and brotherhood among the various tribes in the country. The revered fourth estate of the realm should take the responsibilities thrust on it by the people very seriously, and not sell its conscience for a 'pot of porridge', like the bad eggs amongst majorly very professional people are so oft to do. They should be alive to playing a more positive and constructive role in the social, economic and political development of the country. A peaceful, united and progressive country is not unhealthy for the press nor does it derogate from its avowed role as the watchdog of the society. It is time for the watchdog to watch itself and watch the motives of its own agents of misinformation.

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In conclusion, it must be said that when different groups that constitute historical communities living on their traditional lands and speaking their own languages, with a memory of past nationhood and sovereignty come into conflict, there is seldom a way

Nigeria is not a failed state. It is not even a failing state. It may stumble, wobble and fumble, but will surely get to the Promised Land.

of splitting the difference through peaceful democratic means, as there is in the case of economic disputes. If the truth must be told, Nigeria carries a burden too heavy for democracy. And until this burden is lightened, genuine dividends of democracy - peace and prosperity - will continue to elude the nation. The sovereignty of Nigeria will, more often than not, be threatened, and the labour of heroes past will be seriously jeopardised. No one should delude himself

to doubt the fact that Nigeria cannot and will not break. Everyone should take note of this fact. Nigeria cannot and will not fail. The country has been divinely crafted as a force for human good and nothing can change that, which is why many continue to believe that the 1914 amalgamation is akin to a catholic marriage, a view well put by Bishop Bagobiri. To Bishop Joseph Bagobiri, the Catholic Bishop of Kafanchan Diocese, who represented Christian leaders at the National Conference, "there is no going back on Nigeria's unity". Reason: "The marriage entered into in 1914, between the Southern and Northern protectorates should be viewed by all Nigerians as a catholic marriage and when we describe this as a catholic marriage, we mean that it should be indissoluble. That does not mean that there are no problems. But we will be better off as a nation if we try to look at our own differences and see how we can resolve them and build one united, strong nation that will meet with all our yearnings and aspirations."⁴⁶ All hands must therefore be on deck to make this indissoluble marriage a successful and happy union for all. Nigeria is not a failed state. It is not even a failing state. It may stumble, wobble and fumble, but will surely get to the Promised Land.

46 See more at: [http://www.vanguardngr.com/2014/06 June 28, 2014](http://www.vanguardngr.com/2014/06/June%2028,%202014)

PART

4

Rebirth of a nation

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The Phoenix's ability to be reborn from its own ashes implies that it is immortal. Nigeria is the phoenix of our time.

.... If Nigeria, in the condition where nothing works, can grow economically to have the largest economy in Africa, then the height to be attained when the country moves positively in the right direction can only be imagined. The trillion-dollar economy is not far away.

– Sam Afemikhe

”



Chapter 11 enumerates the contradictions that the people and the nation must strive to overcome in terms of remoulding the mind-set of the people for positive action and the required forward march. This, it aptly notes, is a very important hygiene factor without which progress cannot be made.

Chapter 12 explains that pluralism and inclusion of all and sundry in economic and political progress of the nation is the only way to success, pointing out that there is need to de-emphasise revenue-sharing in favour of revenue generation and productivity and generally doing things right and doing the right things.

Chapter 13 addresses how the nation can bridge the knowing and doing gap, by fighting corruption which is an elite disease, restore the wisdom of the crowd, determine the nation's true population data through an incontrovertible census to make planning more realistic based on actual statistics. It goes further to suggest that there is a need to alter the current structure of the country in preference for a federation of geo-political zones to allow for reduction in cost of governance, enhanced efficiency and effectiveness and permit the leadership to pay more attention to clock-building rather than time telling. Clock-building, the chapter explains, will mean the leadership give rise to building of institutions instead of strong men, foretelling that if all that has been suggested in the book is dutifully carried out, Nigeria, like a phoenix, will with time will rise again from the ashes.



CHAPTER ELEVEN

A nation of contradictions

"The people heard it, and approved the doctrine, and immediately practised the contrary."

- Benjamin Franklin.

- The act of self delusion
- A gross misplacement
- Punishment and reward
- Here and now
- Something for nothing
- A game of one for you, two for me
- A tail that wags the dog
- Might made right
- The ills of stomach infrastructure
- Politics without ideology
- Justice, peace and happiness
- Peace like war must be waged
- Fanning the flames
- Failing to close the gap
- How much land does a man need?

The act of self delusion

The actions and behaviour of Nigerians and the nation as a whole are full of contradictions.

The contradictions in the Nigerian way of life is a fundamental hygiene factor that must be addressed for the general good of the people. Some contradictions are embedded in the culture of the people, or entrenched in the attitudes of the people

The Nigerian people individually and collectively, at all levels – leaders, followers, workers, employers, parents and children – need to face the contradictions that pervade their attitude to issues and the way they do things in order for them to make the rapid progress that is so much desired in human development. The contradictions in the Nigerian way of life is

a fundamental hygiene factor that must be addressed for the general good of the people. Some of the contradictions are embedded in the culture and ways of the people, the result

of an undying slave and colonial mental attitude fostered on them by long years of slavery and colonial rule. The leadership needs to be alive to the challenges posed to the social, political and economic mobilisation of the people towards a common goal by these contradictions, otherwise the nation will not rise above mediocrity. The depth that this contradictory way of life has sunk explains why the motion made by the nation has generated no movement. It is for this reason that the rule of law is difficult to uphold and the reason behind various wars against indiscipline and corruption being short-lived and ineffective, as they cannot take root. Such efforts to change societal attitude, in relation with the long established set of contradictions stand no chance, except there is a good understanding of the collective problem posed by such behavioural standards starting from the mind-set of the individual which must change for any meaningful impact to be made in an effort to influence it. If individuals were properly rationalising in their minds the personal folly and collective pain resulting from the stealing of massive sums of money from government which they will never spend, perhaps they will be more sympathetic to the homily that such funds should be left in the treasury to develop the country for the benefit of all.

Nigerians are very religious people with strong beliefs in the love of their neighbours and God, but they are able to distance themselves from these same beliefs when they rationalise personal gain

Similarly, Nigerians are very religious people with strong beliefs in the love of their neighbours and God, but they are able to distance themselves from these same beliefs when they rationalise personal gain arising from stealing and cheating which their faith does not support. It is amazing how Nigerians are able to effortlessly decouple the beliefs of their faith which they leave behind at the gate of their worship centres and take on completely different beliefs as they go about their daily duties and routine. For many there are two different worlds and the two worlds pitifully are irreconcilable. It is laughable when people pray against corruption in Nigeria as if aliens come from a distant planet to perpetrate the dastardly act of looting the national treasury. The same people who murmur these prayers are the looters themselves. Prayers are said for the family, yet parents turn a blind eye when their children are practising evil behaviours as if God is expected to come down to earth to whip them into line. In the course of the US democratic primaries debate, then Senator Obama, now the country's President, said something very impressive about the need for the black Americans to ensure that their children work hard and improve their position on the social ladder. He said that government cannot turn off the television for children so that they can read, concluding that only parents can do that. Parents who fail to do what they

Nigerians must stand up to the contradictions that are eating away the fabrics of society and create a healthier society that can proudly be bequeathed to the coming generations.

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should do to ensure that their children succeed in the future lose their right to complain when in later years those children grow up to become vagabonds. Nigerians must stand up to the contradictions that are eating away the fabrics of society and create a healthier society that can proudly be bequeathed to the coming generations.

A “contradiction in terms” is a common phrase used to describe a statement that contains opposing ideas. Examples of a contradiction in terms include, “the gentle torturer”, “the towering midget”, or “a snowy summer’s day”. A person can also express a contradiction, like the person who professes atheism, yet goes to church every Sunday¹. In classical logic, a contradiction consists of a logical incompatibility between two or more propositions. It occurs when the propositions, taken together, yield two conclusions which form the logical, usually opposite inversion of each other. Contradiction, in its worse form (as it afflicts the Nigerian society) is embedded in the psychological theory. The Nigerian of any age (except for pre-primary age) all live in the world where insincerity or deceit in many respects is considered the norm. In psychology, cognitive dissonance is the excessive mental stress and discomfort experienced by an individual who holds two or more contradictory beliefs, ideas, or values at the same time or is confronted by new information that conflicts with existing beliefs, ideas, or values². Stress and discomfort may also arise within an individual who holds a belief and performs a contradictory action or reaction. Leon Festinger’s theory of cognitive dissonance focuses on how humans strive for internal consistency. When inconsistency (dissonance) is experienced, individuals largely become psychologically distressed. His basic hypotheses are listed below:

1. The existence of dissonance, being psychologically uncomfortable, will motivate the person to try to reduce the dissonance and achieve consonance
2. When dissonance is present, in addition to trying to reduce it, the person will actively avoid situations and information which would likely increase the dissonance

Individuals can adjust their attitudes or actions in various ways. Adjustments result in one of these three relationships between two cognitions or between a cognition and a behaviour.

Consonant relationship – Two cognitions/actions that are consistent with one another (e.g.; not wanting to get intoxicated while out, and ordering water instead of alcohol)

Irrelevant relationship – Two cognitions/actions that are unrelated to one another (e.g. not wanting to get intoxicated while out, and you roll up your trousers in support

1 <http://www.vocabulary.com/dictionary/contradiction>

2 Festinger, L. (1957). *A Theory of Cognitive Dissonance* California: Stanford University Press.

of that wish)

Dissonant relationship – Two cognitions/actions that are inconsistent with one another (e.g.; not wanting to get intoxicated while out, then consuming six shots of Akpetesi local gin).

The above analysis explains an action of consonant relationship in conformity with beliefs which should be the norm, in comparison with dissonant relationship which is doing things inconsistent with beliefs and principles or contrary to the norm expected from a decent, forward-looking people. Unfortunately, Nigerians fall big time into this category. Also common and anomalous, is the irrelevant relationship which entails taking action that is neither in support nor against beliefs, principles or norms. This is not surprising, as most Nigerians have a mentality rooted either in odd beliefs, oracles, and gods that “speak” to them to do something completely bizarre in order to avoid a perceived calamity or realise a wish. A story was once told of a man embarking on a journey with a rickety car and also loved speeding. Instead of being advised to take public transport and leave the jalopy at home or use the car but then drive slowly, he was told that he will be able to travel with the car, speed as he likes and nothing will happen to him if he jumped a four feet fence seven times. The young man was encouraged by some “juju men” to embark on an irrelevant death wish cognitive action that ended his promising life. Stories like this, which is true by the way, abound all around the life of the average Nigerian. At the other extreme is the rationalisation of the cognitive dissonance as exemplified in the fable of *The Fox and the Grapes*: “Driven by hunger, a fox tried to reach some grapes, hanging high on the vine but was unable to, although it leaped with all his strength. As it went away, it remarked ‘Oh, you aren’t even ripe yet! I don’t need any sour grapes.’ People, who speak disparagingly of things that they cannot attain, would do well to apply this story to themselves”.³

The Fox and the Grapes is one of the traditional Aesop’s fables and can be held to illustrate the concept of cognitive dissonance. In this view, the premise of the fox that covets inaccessible grapes is taken to stand for a person who attempts to hold incompatible ideas simultaneously. In that case, the disdain the fox expresses for the grapes in the end, serves at least to diminish the dissonance even if the behaviour in fact remains irrational. The moral to the story is “any lazy man will despise what he cannot get”. It is better to work hard and succeed than to despise wealth that is honestly earned which is the foundation of capitalism or the attempt to acquire such wealth by corrupt means.

The amount of dissonance produced by two conflicting cognitions or actions (as well as

3 Elster, Jon. (1983). *Sour Grapes: Studies in the Subversion of Rationality*. Cambridge University Press.

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the subsequent psychological distress) depends on two factors:

The importance of cognitions: The more elements that are personally valued, the greater the magnitude of the dissonant relationship.

Ratio of cognitions: The proportion of dissonant to consonant elements.

The pressure to reduce cognitive dissonance is a function of the magnitude of the said dissonance. Cognitive dissonance theory is founded on the assumption that individuals seek consistency between their expectations and their reality. Because of this, people engage in a process called dissonance reduction to bring their cognitions and actions in line with one another. This creation of uniformity allows for a reduction of psychological tension and distress. According to Festinger, dissonance reduction can be achieved in four ways:

Attitude: "I am going on a diet and will avoid high fat food"

Behaviour: Eating a doughnut or some other high fat food

1. **Change behaviour/cognition** (*Planned action: I will stop eating the doughnut*)
2. **Justify behaviour/cognition by changing the conflicting cognition** (*Planned action: "I am allowed to cheat every once in a while"*)
3. **Justify behaviour/cognition by adding new cognitions** (*Planned action: "I'll spend 30 extra minutes at the gym to work it off"*)
4. **Ignore/Deny any information that conflicts with existing beliefs** (*Planned action: "I did not eat that doughnut. I always eat healthy."*)

By extension, outside of classical logic, one can speak of contradictions between actions when one presumes that their motives oppose each other. Cognitive dissonance refers to a situation involving conflicting attitudes, beliefs or behaviours. This disconnection produces a feeling of discomfort leading to an alteration in one of the attitudes, beliefs or behaviours to reduce the discomfort and restore balance etc. An example is when people smoke (behaviour) and they know that smoking causes cancer (cognition). Festinger's (1957) cognitive dissonance theory suggests that people have an inner drive to hold all their attitudes and beliefs in harmony and avoid disharmony (or dissonance).

How can the proliferation of churches and mosques in the nation and the exponential increase in corruption, crime rate, maiming, killing and moral decadence all at the same time, constituting a variance to the expected morality level be explained or justified?

Attitudes may change because of factors within the person. An important factor here is the principle of cognitive consistency –the focus of Festinger's (1957) theory of cog-

nitive dissonance. This theory starts from the idea that people seek consistency in their beliefs and attitudes in any situation where two cognitions are inconsistent. According to Festinger, we hold many cognitions about the world and ourselves; when they clash, a discrepancy is evoked, resulting in a state of tension known as cognitive dissonance. As the experience of dissonance is unpleasant, we are motivated to reduce or eliminate it, and achieve consonance (i.e. agreement). According to cognitive dissonance theory, "there is a tendency for individuals to seek consistency among their cognitions (i.e., beliefs, opinions). When there is an inconsistency between attitudes or behaviours (dissonance), something must change to eliminate the dissonance. In the case of a discrepancy between attitudes and behaviour, it is most likely that the attitude will change to accommodate the behaviour. Two factors affect the strength of the dissonance: the number of dissonant beliefs, and the importance attached to each belief.

There are three ways to eliminate dissonance: (1) reduce the importance of the dissonant beliefs, (2) add more consonant beliefs that outweigh the dissonant beliefs, or (3) change the dissonant beliefs so that they are no longer inconsistent. Dissonance occurs most often in situations where an individual must choose between two incompatible beliefs or actions. The greatest dissonance is created when the two alternatives are equally attractive. Furthermore, attitude change is more likely in the direction of less incentive since this results in lower dissonance. In this respect, dissonance theory is contradictory to most behavioural theories, which would predict greater attitude change with increased incentive (i.e., reinforcement). Dissonance theory applies to all situations involving attitude formation and change. It is especially relevant to decision-making and problem-solving. Consider someone who buys an expensive car but discovers that it is not comfortable on long drives. Dissonance exists between his belief that he has bought a good car and a good car should be comfortable. Dissonance could be eliminated by deciding that it does not matter since the car is mainly used for short trips (reducing the importance of the dissonant belief) or focusing on the cars' strengths such as safety, appearance, handling (thereby adding more consonant beliefs). Getting rid of the car could also eliminate the dissonance, but this behaviour is a lot harder to achieve than changing beliefs".⁴

The above explains why the cognitive dissonance created in the behaviour contradiction does not yield the need to restore a balance by a change in behaviour to achieve harmony. Is it perhaps that the people are comfortable in the contradictions because of the self-gratification in personal enrichment that it gives in the face of collective woes? It could well be that they are able to justify their behaviour/cognition by adding new cognitions (like, one using the mobilisation payment meant for the execution of the contract of developing his community, to build a very palatial country home or for that matter donating

4 Festinger, L. (1957). *A Theory of Cognitive Dissonance*. Stanford, CA: Stanford University Press.

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handsomely to his village church as a justification). This eliminates the dissonance in the mind of the perpetrator which brings him into balance and comfort. It could well be that they simply ignore or deny any information that conflicts with existing beliefs (the money for the contract which he abandoned is his own share of the national cake). With this, they add to the dissonance to make the ugly situation acceptable. Both of the last two sit well in the course of the Nigerian rationalising its bundle of contradictory attitude, particularly when the related actions amount to immediate gratification, rather than the pursuit of future benefit which entails making sacrifices daily. It is also easier to steal money even if it contradicts one's religion, which preaches that stealing is a serious sin because wealth acquired through crooked means, gives comfort to people with debased value system against the pains of poverty and the possible reality of the greater society living in penury and underdevelopment. Again, it may be odd to steal money from one's family, community or friends, but it makes perfect sense if such looting is carried out against an inanimate government that is more than 300 miles away in Abuja.

These two contradictions being cognitive dissonance that affect the individual and the Nigerian society in general are the key issues that must be addressed.

Otherwise, how can the proliferation of churches and mosques in the nation and the exponential increase in corruption, crime rate, killing and moral decadence all at the same time, constituting a variance to the expected morality level be explained or justified? The Nigerian nation-state must address the contradictions listed below (of which some have been discussed in details) in order to create the social and economic balance for the country to progress from the Third World, where it has unjustifiably consigned itself for decades, to the First World, where it should rightly belong, judging from the human and natural endowments it possess.

Economic disconnect

- Government property being nobody's property.
- Agreeing that government has no business being in business, but obstructing privatisation of government business.
- Subsidies breeding corruption that deprive the government and the people of funds, but people stopping government from reversing obnoxiously corrupting subsidies.
- Demanding a decent standard of living, but having big families and a dining table full of children which in the absence of a bigger cake, means that each child gets less and less, leading to individual and collective penury.
- Craving a better future, but not working, investing or saving towards it.
- Practicing immediate gratification balance, with the queer thought that tomorrow will take care of itself.
- Having an insatiable appetite for foreign and imported goods over local goods, to the

detriment of our economy, as they only export jobs and worsen the poverty in the nation.

Greed and corruption

- Professing religiosity but not wanting to be our brothers' keeper.
- Having the generally accepted notion of wealth coming from God, and as such should be used to support the poor and the needy, protect the weak and defend the innocent, however there is an overzealous pursuit of wealth to the detriment of the poor, forgetting that in the final analysis, only "six feet" belong to us and the rest belong to God.
- Polluting the stream from which everyone drinks, which amounts to individual's deliberate acts that could lead to collective mess.
- Security operatives in protecting the citizens, connive and aid robbers and criminals.
- The tail wagging the dog, like civil servants and politicians, constituting less than 1% of the population but taking more than 80% of the national wealth, and leaving less than 20%-to99% of the population.

Poor attitude to process improvement

- Wallowing in ignorance and poverty, yet loathing honour and the quest for knowledge through continuous education.
- Collectively dreaming of a better nation, but disliking process-improvement while never learning lessons from our past mistakes
- Wishing for change but continuously doing things the same way over and over again, and expecting change perhaps by sheer miracle.

Lack of decency in politics (political corruption)

- Practising politics without ideology as epitomised by the multifarious cases of cross-carpeting.
- Electorates' preference for 'stomach infrastructure', which involves politicians bribing them with foodstuffs instead of giving them dividends of democracy, including good quality education, healthcare services and good roads etc.
- Inability to know when the market is over. For example, public officials, refusing to resign and constantly in denial of responsibility for their actions.
- Attempting to move forward whilst looking backwards, thereby stumbling and fumbling. Most in this category are hostage to the historic past and cannot dynamically stand up to the challenge of a greater future.
- Distrusting in the youth and the capability of agility and serenity.
- Politics being a game of numbers, in which the rich, who are an insignificant minority, oppress the multitude and lord their "godfatherism" attitude over the majority.
- Cherishing democracy but hating to respect the wisdom of the majority in an election, which is an expression of the "wisdom of the crowd".

Social corruption

- Glorifying corrupt people with chieftaincy titles and political positions instead of criticising and castigating their acts.
- Hoping on God instead of taking actions.
- Professing love for one's country and yet unwilling to take bold steps for the better good of the nation.
- Growing demand for growth despite cultural and traditional values which reject western education – a fundamental pillar to progress and prosperity.
- Cherishing religious arrogance, in spite of the humility and piety that religion teaches.

Poor attitude to rule of Law

- Cherishing peace, but preferring to settle grievances through violence and self-help instead of keeping to the rule of law.
- Justice and equity breed peace and happiness. Thinking that the equation can be balanced and peace and happiness achieved in a world devoid of justice and equity is a mirage.
- Cherishing justice but sleeping on rights –as exemplified by the popular saying that “those who use their head to break coconut, shall not take part in the eating”.
- Shaving people's hair in their absence. State governors are supposed to be chief security officers in their states but the police in the state are being controlled by the federal government.

The above listed are only a few of the contradictions that hold the people and the nation down. However, the contradictions are underpinned by a value system which has been so considerably debased that it encourages greed and retrogression over collective development and progress.

A gross misplacement

The highest contradictions in the Nigerian society is the deficit between what the norm is, and what can be considered decent, as against what the people actually practise in the course of their daily living. Treasury looters are honoured and given chieftaincy titles instead of being punished; success and opulence are in and of themselves cherished yet people detest hard work. People go to church and listen to homilies about the need for humility, love of their neighbours and the need to care for the poor, but turn round and practice primitive wealth accumulation and greed that creates more deprivation and poverty in the lives of the majority. This sense of misplaced values pervades the entire society. Values are standards of conduct, efficiency or worth, that the society endorses, maintains and transmits to its future generation. To say the least, no society can achieve its target of success if its values are at the mercy of individuals' situations,

circumstances and time. In all aspects of human endeavours, values dictate the choices man makes and choice influences the behaviour of every man. The need for evaluation and orientation is, therefore, important especially as values have much implication on human conduct and actions. It is, therefore, important to assess the value system in Nigeria vis-à-vis the prevailing social situation, knowing fully well that man influences values through the consequences of his actions. The word value has multiple and often times complex interpretations. This is because values are understood differently within diverse socio-cultural context. Meanwhile, values relate to persons, who are all different and unique. Values also connote importance – an element that is qualitatively cherished, provides satisfaction and sense of accomplishment. This means therefore that whatever is considered valuable, admirable or provides satisfaction cannot be downplayed. Value is also a matter of conscience, as conscience is what makes an individual consider if what he/she is planning to do will affect others positively or negatively, or morally wrong or right in relation to universal standards. In an ideal situation, moral values are supposed to operate in man's conscience but it varies from one person to the other because some people have sound and functional conscience, while it is completely dead in others, as it unfortunately happens to be the case with most Nigerians. Okoh (2003:79-80)⁵, identifies the following types of value systems:

Religious values: This type deals with one's salvation, God, belief in the next world or life after death, sin, failings, success etc.

Moral values: This deals with honesty, liberty, equal justice, brotherhood, neighbourliness, uprightness etc.

Social values: This deals with acquisition of power, glory, sovereignty, patriotism, loyalty etc.

Economic values: This deals with money, wealth, profit, fame, material achievement in human activities etc.

Intellectual values: This deals with truth, wisdom, integrity, tolerance creativity etc.

The value system in Nigeria is both subjective and relative. It creates a situation in which everyone acts according to his/her own personal conviction, often without regards to any operating natural and universal principles. Unfortunately, this subjectivity and relativity of values at the personal level has encouraged cognitive dissonance where people have turned values upside down by eliminating the filth in the contradictions so created, or by dream-

⁵ Okoh J.D. (2003). *Philosophy of Education (The Basics)*. Port Harcourt: Pearl Publishers.

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ing up a queer way to justify such contradictory attitudes. As a consequence, objectivity in Nigeria is as dead as a cold dead duck and this completely blinds the nation on both the individual and collective level. The moral condition in all aspect of the national life is dominated by indiscipline, lack of respect for the rule of law and order, greed, fraud, cheating, stealing, indolence, insincerity, sycophancy and corruption in all forms –t including

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the most lucrative of them all which is electoral malpractices. This ugly situation which has pulled the nation down on its knees calls for total moral and ethical re-orientation. Successive governments in Nigeria have made several attempts to curb this menace, but this always ends in total failure as it would seem that the leaders themselves are insincere and unserious in the crusade. For example, the late General Muritala Muhammed's government promulgated the Corrupt Practices Decree in 1975; President Shehu Shagari, Ethical Revolution in 1982; General Buhari/Idiagbon's, War Against Indicipline (WAI) in 1984; General Babagida's Mass Mobilisation For Social Justice And

Economic Recovery (MAMSER) and National Orientation Agency in 1993; General Abacha's War Against Indiscipline And Corruption(WAI-C) in 1994; President Obasanjo's Independent Corrupt Practices and other related offences Commission (ICPC) in 2002, and the Economic and Financial Crimes Commission (EFCC) in 2003. According to Sun Tzu Art of War, "when you engage in actual fighting, if victory is long in coming, then men's weapons will grow dull and their ardour will be damped. If you lay siege to a town, you will exhaust your strength"⁶. It appears that the people are not wining this long drawn out war and something needs to be done as this is a war that must be won.

The value system of any society greatly directs the behaviours and attitudes of the individuals in the society. Generally, the shift in the traditional value system of most Nigerians to a debased value system in the modern era as exemplified in the quest for money, age reduction, unpatriotic, ethno-tribal sentiments, lack of time consciousness, examination malpractices, mediocrity syndrome, jealousy and witch-hunting, excessive quest for material possession and egocentrism, among others, influence their behaviours towards national development. Before the advent of colonialism in Nigerian, the people had and respected their values. Great importance was attached to family names. Every Nigerian whether small or big worked assiduously to protect and promote his/her family name and people did everything possible to avoid soiling the image of the family and true enough, it is the family that forms the inalienable base of Nigerian society. Those days, truthfulness and honesty were priced very high. People loved and were always ready to promote their

6 Sun Tzu Art of War: <http://suntzusaaid.com/book/2>

family name. Filial, piety, honour and respect not only for parents alone but also for elders were the Nigerian traditional value system⁷. Indecent acts such as stealing, dishonesty and moral laxity were abhorrent to Nigerians of old. In each community, strict laws guided the people against infringing on any of these highly held values.

Nigerians had great respect for the sanctity of life. Human life was held very dearly and a violation of this in any way or manner was considered an abomination. To an average Nigerian, life was considered the greatest gift from God and therefore had to be revered. The Nigerian traditional system as highlighted by Ella (1992),⁸ included respect for elders, chastity among women folk, dignity of labour, patriotism to one's community and country, courage and self-reliance, etc. Children were also taught and encouraged to respect their parents and elders, assist them in domestic chores and any deviation was not tolerated and attracted punishment. However, all these virtues are now completely eroded. People are now celebrated based on their smartness in diverting public funds for private use. Those that are supposed to be behind bars are bestowed with chieftaincy titles and honorary Doctorate degrees. In spite of the proliferation of churches and mosques, corruption and moral decadence in the society are the order of the day. There are stories about baby factories where women are made pregnant to deliver babies for sale, and mothers are glad to sell their lovely babies without any emotions. People now even kidnap fellow human beings, including their relations, for petty ransom. Conscience is sold for a "pot of porridge". The Indian sage, Mahatma Gandhi, warned mankind against seven "social sins". In his philosophically loaded admonition, Gandhi listed the other "social sins" as "Wealth without Work; Pleasure without Conscience; Science without Humanity; Knowledge without Character; Politics without Principle, Commerce without Morality and Worship without Sacrifice". Gandhi quoted this list in "Young India" in 1925, but it was as if the sage was being clairvoyant about humanity, the average Nigerian and the Nigerian nation. The government and the people cannot fold their hands and accept the gross debasement of the age-held values. Up and coming generations must imbibe healthy values once more, for their own good in particular and the upliftment of the nation in general.

Punishment and reward

There are two parameters to life. The first is risk and returns. The more risk one takes, the more returns one should expect. This is the reason people invest and take business risks. The second is punishment and reward set by nature to promote those who do well and should enjoy the fruit of their labour, whilst those who do wrong are punished in

7 Nwabuisi. (2000)

8 Ella, I. O. A. (1992). Value Systems in Idoma: Implication for Western Education. Ph.D Thesis, University of Nigeria, Nsukka

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order to show that evil or wrong-doing is consequential. A country's success or failure depends on the extent to which the people cherish and apply the risk/return and reward/punishment mechanism. You know a country therefore by what it rewards and punishes. People gravitate in their character and attitude towards what a country rewards. Nigeria rewards laziness and punishes honesty. The majority have migrated to effortless wealth and are killing, maiming, kidnapping and looting, as the Nigerian value system rewards these evils. Nigeria has perfected the act of turning the reward and punishment mechanism completely on its head. A cursory glance at recent high profile cases lends credence to the fact that cases, which should have been used to showcase the supremacy of the rule of law, equity, justice and fairness, were instead used to justify the abuse of law, inequity, injustice, partiality and the enthronement of impunity. These cases ultimately manifested as demonstrative announcements that crime pays and the big thieves are certainly above the law. A country, in fact, any entity makes progress by rewarding efforts, productivity, success and positive outcomes. Reward for good works, be it enhanced productivity or high integrity and the punishment of deviants in whatever form, creates an announcement effect in the minds and hearts of the citizens. It indicates what the entity cherishes and would want to see people admire and practise.

The Nigerian system is replete with misplaced values – rewards corruption, fraud, laziness, instant gratification and almost everything that is negative while punishing hard work, productivity, integrity, thrift and good qualities that make a nation grow. Another cursory glance at the Asian tigers demonstrates the huge gap between their reward system and that of Nigeria. In 1994, in Singapore, all hell broke loose when an American citizen, Michael Fay, was to be punished for vandalising some cars and public property⁹. Even the former U.S. President, Bill Clinton, pleaded for leniency at the time but could not sway the hand of the Singaporean justice system. If that same commitment to justice held

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sway over Nigeria, the announcement effect on the people would be so strong and clear that they would shrink and shiver at the mere thought of crime and misbehaviour. Let us be clear, one is not saying that there is no corruption all around the world, but the underlying message of the announcement effect is missing in Nigeria whilst it is strong in many other developed and progressive nations. This is the reason they are developed and making the continuous improvement that Nigeria so much admires, because people have the confidence

that ingenuity, intelligence and creativity can thrive and any threats to these ingredients of progress and development will be swiftly dealt with by the law.

9 Wall street Journal October 20 2010, U.S. Man Faces Caning in Singapore

Nigeria is often cited as a good example of the resource curse syndrome, which is indicative of a high rent culture, where reward is not based on productivity, but upon political and social connections. Nigeria is currently a nation, where everyone is concerned with revenue sharing rather than revenue generation. This has led to the degeneration of such sectors such as agriculture, manufacturing and mining, which once thrived in Nigeria but are fast on a downward spiral, due to the over reliance on Oil and Gas. This over reliance provides rent across the board to fuel a disconnection between productivity and reward. Consequently, a small proportion of the population that is well connected, who put in little or nothing into the communal treasury, take out almost everything and leave the majority who toil day and night for their daily bread in penury. The result is that armed robbers and kidnappers have resorted to pursue their share of the national cake in their own style, and the entire country is being terrorised and traumatised for it.

An amazing result was that 20 years later, the least successful among those that waited an hour to receive two bowls of ice cream was 20 times more successful...People with long term perspectives are willing to pay the price of success for a long, long time before they achieve it.

It is no surprise that the state's instruments of political and social change are the most corrupt and resistant to change in Nigeria. In this regard, Transparency International fingered the political parties, the legislature, the police and the judiciary as the most corrupt institutions in Nigeria. One should begin to wonder, therefore, where the hope for the much anticipated change and redemption will actually come from.

Here and now

The most successful people in any society are those who take the longest time into consideration when making their day-to-day decisions. Dr. Edward Banfield of Harvard University¹⁰ in the late 1950's and early 1960's after studying many of the factors that were thought to contribute to individual financial success over the course of a person's lifetime, concluded that there was one primary factor that took precedence over all the others. He called it "time perspective" or "delayed gratification". What Banfield found was that the higher a person rose in any society, the more they delayed his/her gratification. People at the highest social and economic levels make decisions and sacrifices that may not pay off for many years, sometimes not even in their own lifetimes. They "plant trees under which they will never sit." Delayed gratification is the key to a successful life rather than immediate gratification and consumption in preference to investment¹¹. An obvious example is the movie, 'Avatar' one of the most successful movies of the 21st century. Producer James Cameron had written the movie 15 years earlier and waited for the right

¹⁰ Edward C. Banfield. (1970). The Unheavenly City Boston: Little, Brown and Co.

¹¹ Posted on August 25, 2010 by Yacham Joseph

technology necessary before producing it.

In another instance, a group of children were asked if they wanted a bowl of ice cream now or would wait an hour later. Some preferred to take it immediately, while others opted for two bowls in an hour later. The amazing result was that 20 years later, the least successful among those that waited an hour to receive two bowls of ice cream were 20 times more successful than the most successful among those who agreed to collect their ice cream on the spot. People with long term perspectives pay the price of success for a long, long time before they achieve it. They think about the consequences of their choices and decisions in terms of what they could mean in years to come. The average Nigerian wants the result of his effort here and now. His horizon is very short in all aspects of life. Most business people are traders because they lack the patience to wait or take the risk of a long-term business. Banks lend short-term because they are impatient to wait for tomorrow or take the risk against tomorrow.

Delayed gratification, or deferred gratification, is the ability to resist the temptation for an immediate reward and wait for a later reward. Generally, delayed gratification is associated with resisting a smaller but more immediate reward in order to receive a larger or more enduring reward later¹². A growing body of literature has linked the ability to

Whilst immediate gratification can be said to be a psychological problem with the underclass, it is, most unfortunately, a disease that afflicts the average Nigerian at all levels, as people are too eager to get rich quick

delay gratification to a host of other positive outcomes, including academic success, physical health, psychological health, and social competence. Walter Mischel led the research on delayed gratification, most notable was the Stanford Marshmallow experiment, which shed light on the long-term results of a person's ability to delay gratification¹³. A person's ability to delay gratification relates to other similar skills such as patience, impulse control, self-control and willpower, all of which are involved in self-regulation. Broadly, self-regulation encompasses a person's capacity to adapt his/her self as

much as necessary to meet the demands of the environment.¹⁴ Delayed gratification is the reverse of delayed discounting, which is "the preference for smaller immediate rewards over larger but delayed rewards" and refers to the "fact that the subjective value of reward

12 Carducci, Bernardo J. (2009). Basic Processes of Mischel's Cognitive-Affective Perspective: Delay of Gratification and Conditions of Behavioural Consistency. *The Psychology of Personality: Views, Insights, Research, and Applications*. John Wiley and Sons. pp. 443–4.

13 Mischel, W., & Ayduk, O. (2004). Willpower in A Cognitive-Affective Processing System: The Dynamics Of Delay Of Gratification. In R. F. Baumeister & K. D. Vohs (Eds.), *Handbook of Self-regulation: Research, Theory, and Applications* (pp. 99–129). New York: Guilford.

14 http://en.wikipedia.org/wiki/Delayed_gratification#cite_note-MadduxTangney2010-2

decreases with increasing delay to its receipt.¹⁵ People at the lowest levels of society have the shortest time perspectives. They focus primarily on immediate gratification and often engage in behaviours that are virtually guaranteed to lead to negative consequences in the long run. At the very bottom of the social ladder, you find hopeless alcoholics and drug addicts. These people think in terms of the next drink or the next fix. Their time perspective is often less than one hour.

Whilst immediate gratification can be said to be a psychological problem with the underclass, it is, most unfortunately, a disease that afflicts the average Nigerian at all levels, as people are too eager to get rich quick, desiring wealth without work. Yet, the ability to practise self-mastery, self-control, self-denial, and make short term sacrifices, so that one can enjoy greater rewards in the long run, is the starting point of developing a long-term perspective for an individual as well as nation-states. This attitude is essential for financial achievements of any kind. Alas! Nigerians no longer believe in any of the above statement of facts. Everybody is now in a mad rush to get rich quickly, which has resulted in monumental corruption as people no longer want to engage themselves in viable or meaningful ventures before earning billions. Young men and women entrepreneurs cannot leverage on medium term yielding innovation and technology, which are the drivers of economic growth and development in the modern world, because new Special Purpose Vehicle (SPV) companies required to execute this, need investment and patience which do not yield immediate profit. Instead, money is placed in wonder banks and smuggled goods that will be sold fast, to yield quick returns. The get-rich-quick attitude has led to an increased wave of all sorts of crime perpetrated by young and old – armed robbery, kidnapping, advanced fee fraud, popularly known as “419”, – human trafficking for slave labour, baby making for sale, ritual killings for money-making and child robbers, dispossessing their parents and family members of their valuables. Most Nigerians are now averse to education as they feel that going to school is a long term investment which they do not have the patience to endure to reap the benefit. They prefer to forge certificates and all manners of documents to secure huge contracts which they probably will abandon after collecting hefty mobilisation payments. Failed political and economic structures are the results of this craze for immediate gratification, as people in the political, private and public sectors of the economy formulate policies that grant them and their cronies immediate political or financial advantage, notwithstanding the adverse effect on the citizens or the country at large. This brings to mind an Okpella (Edo State) saying that, “the bush fowl always digs and eats up the farmer’s planted seeds because in its belief, it takes eternity for the seeds to mature”. For the bush fowl, the three or four months that it takes the crops to mature for harvest is an eternity, forgetting that there would have

15 Anokhin, Andrey P.; Golosheykin, Simon; Grant, Julia D.; Heath, Andrew C. (2010). “Heritability of Delay Discounting in Adolescence: A Longitudinal Twin Study. *Behaviour Genetics* 41 (2): 175–83.

been more for it to eat with a little more patience. Who will teach the Nigerian nation and people the virtues of patience? It is the lack of patience that brought in the military, and deprived the civilians the benefit of learning from their mistakes. This singular intervention in the political affairs of the nation, took the country back several decades politically and economically. It is the lack of patience that made the successive military governments to introduce 'quick fix' and baseless economic theories, grounded only in "scape goat" economics with their deadly retrogressive outcomes from which the country is yet to recover till date.

Something for nothing

There is no free lunch, the British would say. The Edo man will say, "*Awuf de run belle*". But the average Nigerian does not believe in any of these dictums. He wants to get the best for nothing. How can anyone condemn the pervading depravity, when so many of

How can anyone condemn the pervading depravity, when so many of us do not like to do any form of productive work for economic gain, as epitomised by the Yoruba adage: "Ise kekere, owo nla"

us do not like to do any form of productive work for economic gain, as epitomised by the Yoruba adage: "Ise kekere, owo nla" –less labour, much gain? The doctrine of small work and plenty money is a debasement of the value of hard work. In its purest form, it is a prayer and a wish that one be fairly rewarded for his effort –which even in biblical terms, makes a lot of sense, in that one should not get less gain in anything he/she does. A loss is not fair. But when turned the other way, the Nigerian interprets it to mean money without work –a pathological cognitive dissonance at its worst, as it means that you can obtain even the best of

life for nothing. Franklin Roosevelt, one of the greatest American presidents, once stated that "happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort".¹⁶

To the average Nigerian, this statement will seem the prattling of an imbecile; it will elicit a scornful laughter. Interestingly, there was a time in Nigeria when these same words of Franklin Roosevelt would have struck a chord in people's minds. That was before the oil boom, when the nation was not yet engulfed by greed and cupidity. At that time, people could think of success or fulfilment in terms other than the amount of money possessed. The people were not as wealth-conscious, selfish and insatiable as they are today. Life was not all about money –to acquire it and to hold on to it at all cost. It was not all about self – being self-absorbed, self-serving, and self-indulgent, etc. People volunteered their time and resources for courses of collective good other than those that just serve their personal interests. People's expectations were modest and reasonable.

¹⁶ www.goodreads.com/quotes/17567-happiness-is-not-in-the-mere-possession-of-money-it

Money was expected to be earned, they work and expect to be paid in accordance with their work and abilities. Free money and all other sorts of undeserved riches were unacceptably. The society shunned and snubbed those who assented to free money, or made their fortune from illegitimate engagements. They were considered frauds, criminals and excoriated for having reaped where they had not sown.

It was the woeful mix of oil money and corrupt leadership that resulted in the total moral and ethical collapse of the Nigerian society.

Oil changed all that! Oil wealth is unique, in that it does not come from any national effort, toil or sweat. It is not from agricultural, manufacturing, scientific or technological enterprise. It results not from our resourcefulness, innovation or ingenuity. It is just a windfall. It literally drops from above. Invariably, it seemed to loom in the horizon, ready to drop into outstretched hands. This was not a problem, if only we clung to our earlier values that stressed hard work and considered unmerited money an anathema. It was possible to have oil boom and still have an honest and disciplined society. Oil boom would just have meant increased affluence, better opportunities and a higher standard of living for every Nigerian.

It was the woeful mix of oil money and corrupt leadership that resulted in the total moral and ethical collapse of the Nigerian society. At the advent of the oil boom, Nigeria was under military rule. Military involvement in politics proved a raw greed for power, couched in moralising lectures about their mission to restore political order, end official corruption and prepare the country for democracy. Nigeria lost her innocence as the brutality and bloodletting that attended military intervention in politics brutalised the national psyche and ushered in a culture of violence. Military rule brought selfishness, bribery and corruption to hitherto unimaginable levels. While the most notoriously corrupt politicians of the 1st republic were accused of stealing or misappropriating 10% of the cost of government projects, in the early days of military rule, it rose to about 25%. Towards the last days of military rule, it went up to 200%, as cost of government projects were inflated by up to 100% and the entire funds stolen with the projects, left unexecuted.

What the church preaches is one thing, but what the people do is another. The preachers are not left out as they now chorus "do as I say" and not "as I do".

Edward Gibbon, summing up the soldier's appalling lack of attitude for political leadership, wrote that "the temperament of soldiers, habituated at once to violence and servitude renders them unfit administrators of a legal or civil constitution. Justice, humanity, or political wisdom, are qualities they are too little acquainted with in themselves to ap-

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preciate in others".¹⁷ From their deeds, the society learnt that hard work, honesty and commitment do not pay; that only the weak, stupid and feckless work for their money; that the elite, privileged and influential make their money from corruption, fraud and outright stealing of public funds. That is, greed, lying, fraud and theft are not punished but rewarded, especially when indulged in by the rich and powerful. Taking a cue from their leaders, the average Nigerian became irredeemably selfish, insatiably greedy and incurably dishonest. Expectations changed to the extent that everyone can now be bought if the price is right. They became unrealistic, perverse, depraved and iniquitous, because it was no longer work and resourcefulness that determined income and position, but connections, falsehood, corruption, disregard for norms, traditions and the law, and even dalliance with satanic forces. People stopped despising free and unmerited money, and began to cherish and applaud it and in the process, lost the sense of decency, fidelity, loyalty and commitment to family, friends and the nation. And yet, Nigerians are very religious. All religions preach love, hard work, faithfulness ahead of success, piety and brotherly love and care. What the church preaches is one thing, but what the people do is another. The preachers are not left out as they now chorus "do as I say" and not "as I do". But who is listening?

This distorted mind-set and the resulting society's wilful penchant to reap where it had not sown have ramified so damagingly for the country. It permeated and ruined every segment of the Nigerian social order. Naturally, it gave Nigeria a place among the most corrupt countries of the world. It reduced the country to a vast degenerate system honeycombed with crooks, con artists, liars, drug peddlers, smugglers, ritual killers, etc. It demeaned the nation to something of a banana or jungle republic where anarchy reigns supreme and every institution malfunctions. These lawlessness and dysfunction are obvious in the nation's politics, cities, hospitals, schools, bureaucracy, churches, as a matter of fact, just in every facet of life. Nigeria is a vivid and instructive example of what convergence of wealth and irresponsible leadership can do to a country. A governmental system is only a product of its politics, especially its leadership. The present situation is a product of the failed political structure and military rule. Democracy offers a magnificent opportunity for moral and ethical regeneration, but the wisdom of the people to choose their leaders is suppressed by the money bags and godfathers, who rig elections to high heavens and thwart the wishes of the people. The people, who are supposed to represent the hopes and aspirations of the nation, uphold the powers of its government and lead the country by examples and back to higher standards of probity and morality, display the most questionable characters. What will give taste if the salt loses its flavour?

17 Edward Gibbon. (1776). *The History of the Decline and Fall of the Roman Empire*

A game of one for you, two for me

The war over resource control and its variant of revenue sharing formula, is one that has been ranging in Nigeria since Independence and is considered one of the most retrogressive aspects of the national debate. The issue of revenue allocation and resource control has now turned to a very sensitive and thorny problem whenever there is any national discussion on any matter remotely related to it. Private individuals, elected officials at both local, state and Federal levels find it very difficult to have a common ground on this issue whenever it arises on any forum, be it at the market place, beer parlours, seminars, workshop, conference or the hallowed chambers of the legislature. One wonders why strength is not applied to seriously debate how resources can be grown in such abundance so that the argument shifts entirely and sharing becomes mainly irrelevant. People are ready to go to any length to push forward their views or to convince others who care to listen, why their regions/states/areas should earn more allocation from the national treasury. Arguments are never about to how the national treasury can be grown or how the economic fortunes of the nation can be enhanced – which can directly translate to increased revenue for all to share and eradicate the general level of poverty in the country. In the time past and before the advent of crude oil, all the regions were very resourceful and economically competitive. For example, the northern region was noted for its high production of groundnut – evident in the historical groundnut pyramid – hides and skin, among other agricultural produce.

In fact, given the arable nature of the land in the north, it could easily be considered the bread basket of the nation and could produce enough food and beef to feed Nigeria and other West African countries. The Western region was known for cocoa. The Eastern region was noted for palm produce and coal, while the Mid-Western region was noted for rubber and timber – evident in the location of the African Timber and Plywood factory (AT&P) at Sapele. All these produce were exported to earn the needed foreign exchange for the regions, who in turn, paid taxes to the central government under a practice that promotes absolute resource control. All these began to change as soon as crude oil (often referred to as the black gold) was discovered at Oloibiri in the present day Rivers State in 1959. Since then, Nigeria as a country has known no peace as the cheap foreign exchange being earned has now made the average Nigerian very lazy and docile. Oil has now become a big curse instead of a blessing. The reverse however, seems to be the case for some other countries that are also gifted with this natural endowment, as they use it to develop their countries. The 2014 National Conference on Tuesday July 8th abruptly adjourned its plenary session to enable the leaders from each zone at the conference re-negotiate the contentious issue of revenue allocation arising from the report of its Committee on Devolution of Powers, which they could not agree on. Whilst the conference and the committee were able to arrive at a compromise between the North and the South on all other issues, all efforts to reach a compromise on an equitable revenue

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allocation system failed. This is not surprising as the issue of revenue sharing remains the most contentious in the nation.

The same Devolution of Power Committee had previously agreed on proposals for the creation of additional 19 new States (to make a total of 55 states), another sad irony or contradiction, as they were approving the creation of yet more unviable states without

Our country is poor and comatose because the few people that have been elected to govern, have decided to loot the common wealth, leaving only stipends and crumbs to be falling off their tables

the wherewithal to fund them. The Committee on Devolution of Power, co-chaired by former Governor of Akwa Ibom State, Obong Victor Atta and former Inspector General of Police, Ibrahim Comassie, had recommended the retention of 13% with a percentage of the derivation devolved to the host community from which the resource is derived. It also recommended that a special fund be set aside for the development of other mineral resources. However, as the conference opened debate on the 41-page report, dated Monday, 8th July, 2014, delegates canvassed opinions along ethnic and sectional interests, with those from the South arguing for an increase from the 13% to 21%, and even 50%, to 100% from which taxes will only be paid to the Federal Government.

Delegates from the North, vehemently opposed any form of increment, instead, they were not only asking for 5% from the Federation account for areas in the North devastated by terrorist attacks, but another percentage for power generating areas in the region. They argued that the 13% derivation which the Niger Delta is currently receiving was not being judiciously managed, and wanted the Ministry of Niger Delta Affairs, the NDDC and the Presidential Amnesty Programme scrapped, and their functions transferred to the various oil producing communities. With these cacophonies of voices, the conference was adjourned abruptly like many others before it, by the Chairman, Idris Kutigi, to calm tempers so that this contentious and volatile revenue issue could be renegotiated. Ultimately, no agreement was reached on the issue, the conference threw it back at the President, asking him to once again, set up a special professional committee to study the issue and make recommendations. As is set out in the next chapter, various committees have studied this same issue and made recommendations. The problem will never go away as long as the rent income from oil is there to share, thereby consolidating the cognitive dissonant relationship of the hunger for wealth that is not earned, or for which nobody is ready to work for; and the creation of a few rent-seeking billionaires in the face of the abject poverty, enveloping the majority.

The tail that wags the dog

If there was ever any doubt that greed rules in Nigeria and that the only reason many

seek high office is for the material gain therein, the gluttony and insensitivity in high places have cleared such doubts. Besides blatant corruption, a perfect illustration of this culture is the sumptuous benefits to which political office holders treat themselves at the citizens' expense. Now it has gone to such ridiculous levels that it has to be perpetuated for life, even when the rest of the people wallow in abject poverty. This is an unbelievable shame. Our country is poor and in comatose because the few people that have been elected to govern, have decided to loot the common wealth, leaving only stipends and crumbs to be falling off their tables only sufficient for street boys to fight over. When will the people realise that the problem is not in our differences in religion and ethnic backgrounds but in our thieving leaders and politicians? Until we collectively wake up to the realisation of this fact, our grumbling, murmuring and suffering will persist. The politicians beg to serve, they are voted into office, and then they convert the government and everything that comes with it, to their property and God help anyone amongst the lot that has the audacity to confront them, as the consequences of this has been seen in recent times. Though, they were elected to serve the people, but they are now lords and masters, while the people are now their servants. No wonder 80% of government revenue is spent on recurrent expenditure. It can thereby be understood why the infrastructure is decayed, why the systems all around cannot be renewed and why poverty pervades the land, as most of the meager 20% allocation to capital expenditure is also looted through inflated contracts despite the efforts of the Bureau of Public Procurement. How does Nigeria liberate itself from this vicious circle that is visited on it by the elites – their leaders?

People go to their various places of worship to listen to sermons, but interpret it in ways that suit them...The people wear religion on their forehead and intersperse every sentence with "by God's grace" or "Insha Allah", when what we actually mean, is "by my grace" or "Insha myself".

Might made right

What manner of a country is Nigeria? As Dr Wokil said, "Nigeria is rich but Nigerians are paupers, a country where truth is murdered and deception celebrated by the institutions of governance. Brilliance is silenced, while mediocrity is glorified by the very people who are supposed to lay good examples for others to follow"¹⁸. It is a nation where the law is harsh on petty thieves on the streets but protects the pen-robbers in government, who loot billions of naira from the national treasury. This is a country, where life has become the cheapest commodity, as we hear of hundreds of people butchered daily; a place where dynamically outspoken and progressive people are marked down by the filthily rich, corrupt and powerful bourgeoisies, who feel threatened by their advocacy

¹⁸ Dr. M. M. Wokil in his Article: What manner of a country is Nigeria?

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for equity, fairness, universal application of rule of law and egalitarian society. A country where decent and incorruptible retired civil servants are rewarded with starvation and the denial of their meagre pension dues, thereby sentencing them and their dependants to untimely death, while their retired corrupt counterparts seek political office with their stupendous wealth for yet, more filthy lucre. Unfortunately, they are bountifully rewarded as senators and high chiefs – a place where the elements that qualified them for leadership are the very ones that ought to qualify them for prisons, psychiatric homes or asylums in decent countries; a country where leaders are selected by the few and imposed on the helpless and dehumanised populace, using the instrumentality of a judiciary in a supposedly democratic setting; a place where those people who serve the nation faithfully are made to regret their faithfulness throughout their retirement period. The progressive and activist veterans are now old, neglected, despised and punished by keeping them out of governance by the very regime that benefited from their sacrifices. The younger progressives, who see how the veterans end up, have to make a detour with a bell, ringing in their brains: “Honesty doesn’t pay in this country; the country is not worth dying for; it is better you make your money anyhow to have a secured future; if you can’t beat them, join them, etc.” What a pity!

That we are not our brothers’ keepers and yet profess religiosity is obvious in the Nigeria of today. It is anchored on ignorance, negative thought process, lack of intuition and not listening to the silent voice of good conscience. In reality, most people have killed this voice in order not to have any cause for regrets. People go to their various places of worship to listen to sermons, but interpret it in ways that suit them.

**If we strive
hard, hope, plan,
work, pray and
believe always
that God will do
His part, then we
are guaranteed
the best outcome,
which ultimately as
believers, we put
down to God’s will
for us at that time.**

They equate these sermons to the constitution of their country which is often manipulated unduly and operated any how to suit their whims and caprices. Religious ways and spiritual activities act as a cover for inevitable moral lows. Nigerians are the most prayerful people on earth. The people wear religion on their forehead and intersperse every sentence with “by God’s grace” or “Insha Allah”, when what we actually mean, is “by my grace” or “Insha myself”. They consider themselves as holy because they spend long hours in mosques and churches, but as Garrison Keillor humorously noted, “Anyone who thinks sitting in church can make you a Christian must also think that sitting in a garage can make you a car”.¹⁹ Nigerians carry out

state affairs with pious dishonesty, convinced that it is enough for the outside world to see them as beautiful marble tombs outwardly, whereas inside they are full of unmitigated putrefaction. God is Omnipotent. But God will not descend to the level of man, as he

19 www.goodreads.com/quotes/5979-anyone-who-thinks-sitting-in-church-can-make-you-a

acts through and with men on earth. When one is anything but noble and asks God to bless and direct such intentions, such prayer is fraudulent ab initio. The same is true when people make huge donations out of stolen wealth to worship centres, hoping that God will look with favour on everything else that they do. Such an action amounts to bribing God and God does not take bribes. Obedience is better than sacrifice. The average Nigerian is a hypocrite when it comes to actions and appeals to God. Abraham Lincoln's description of the hypocrite is apt here when he referred to same as: "the man who murdered both his parents and then pleaded for mercy on the grounds that he was an orphan."²⁰ Resources meant for development are misapplied, misallocated or stolen completely and yet the same people that have stolen the money cry the loudest as they complain of underdevelopment or lack of infrastructure as if God should rain down an army from heaven to build roads, bridges, trains, electricity and houses for the people. In the 2012 Olympics, the countries that gave their athletes adequate and proper preparation in readiness for the games reaped the reward in gold, silver and bronze. Again, according to Abraham Lincoln, "Give me six hours to chop down a tree, and I will spend the first four sharpening the axe."²¹

Preparation is a key ingredient for success. Careful planning and adequate preparation help to ensure a successful project. You won't get far trying to sink a dull axe into a tree trunk—nor will you produce impressive results with no plan or a dull one. But the opposite is true of the Nigerian. While others prepare, sharpen the sword and plan, the people slumber and day-dream, while their officials implore them to pray, as if those strategizing, planning and preparing have no God. God will always be on the side of the prepared, otherwise He wouldn't be a just God – and injustice is antithetical to the notion of God. Majority of Nigerians go to churches on Sundays or the mosques on Fridays, fast regularly while seeking the favour of God, yet most fail to imbibe the basic message that is being passed across in the holy books, which simply says, "love your neighbour as you love yourself". What then is the point? How can the rip-off across board, the injustice that abounds, the unwillingness to do the work that one is employed to do except one is privately settled, be justified. The entire society ends up being turned to a massive settlement circus which amounts to the creation of a "bush-meat mentality", where any one sitting opposite you must be ripped off. At the end of the day, no one is better off –as what goes around, they say, comes around.

God will always be on the side of the prepared, otherwise he wouldn't be a just God – and injustice is antithetical to the notion of God.

20 www.goodreads.com/quotes/359784-hypocrite-the-man-who-murdered-his-parents-and-then-pleaded

21 www.prdaily.com/Main/Articles/6_Abraham_Lincoln_quotes_to_inspire_communicators_13827.aspx

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The corollary of all the above is that prayers require action to be effective. For many years now, there have been prayers in various churches, such as prayers against corruption, prayers against indiscipline, prayers against poverty, prayers against armed robbery, prayers for the transformation of Nigeria etc. The highest profile group that has been formed to pray for Nigeria is “Nigeria Prays” which was formed by General Yakubu Gowon. Gen. Yakubu Gowon, the Chairman of Nigeria Prays, explained that “the organisation was formed to seek divine intervention for the country’s problems. Gowon, a former Nigerian military Head of State, said at a forum organised by the South East Zone of the organisation, that the group was formed in October, 1996, during the regime of the late Gen. Sani Abacha. He said at that time, Nigeria’s international image was at the lowest ebb because of political instability, corruption and the infamous Advanced Fee Fraud (known as 419). Gowon said that Nigerians in the diaspora, who were disturbed by the conditions of the time, united and took a decision to address the country’s economic and political problems. “They came to me and we held a series of meetings in London on how best to tackle the nation’s problems considering that even the government could not find the solution. “We agreed that since we, as human beings, could not find the solution, there is somebody in heaven that can solve our problems if only we can go to him in prayer.” He said that in an effort to implement the decision, a body of intercessors was formed and the members embarked on three months intensive prayer to seek the face of God.”²²

Praying and seeking divine intervention is a very good thing. It reinforces the beliefs regarding the distinction between good and evil, the need to pursue and do good while eschewing evil. What is more? There is a very strong belief that divine intervention can positively change bad behaviour to good. However, most times, people treat prayers like tapping a magical lamp and asking the genie inside for the wishes expressed in prayers to be automatically granted. Even mature believers often fall into the trap of treating God or Allah like some kind of galactic porter, who is there at their beck and call, to fulfil their every whim and desire. The truth is that, prayer requires action on our part. When we pray, we are demonstrating our dependence upon God –we are saying to God that “we need you” that “without you, we can do nothing.” Prayer is also an act of faith. What is the use in praying when there is no positive plan of action that will be faithfully implemented for God who hears and answers prayers to bless and help bring to fruition? Prayer, like hope, is not a complete strategy in itself. So when we pray, we not only demonstrate our dependence upon God, but also our faith in God to support our efforts. As revealed in the Bible, Jesus said, “So do not worry about tomorrow: tomorrow will take care of itself. Each day has enough trouble of its own”. What did he mean by this in a world full of troubles and worries? What Jesus really meant is: “Do not worry unnecessarily but do your best in every circumstance as God will always do His best for

22 www.vanguardngr.com/2012/04/abacha-supported-nigeria-prays-gowon/#sthash.anTC0g4A.dpuf

you in any circumstance and that the combination of the “two bests” is sure to produce a positive and successful result”. Based on the above, the instructive formula to go through life without worrying unnecessarily based on this reasoning, is that you should always bear in mind the divinity of the following equation: My Best + God’s Best = God’s Will.²³ Therefore, if we strive hard, hope, plan, work, pray and believe always that God will do His part, then we are guaranteed the best outcome, which ultimately as believers, we put down to God’s will for us at that time.

Remember that, as hope without a strategy is worthless, so it is with prayers. A prayer without action is worthless as it amounts to expecting a miracle or renegeing on one’s contract with God. The key moment comes after we have prayed. What do we do then? This is the critical point where Nigerians fail. In most cases, the prayers are not only never backed up with action, but a completely contradictory or “dissonant relationship” action is taken. The hunger for wealth should light the fire of hard work in the stomach and yield bountiful result akin to the collective good produced by “Adams Smith’s invisible hand”, but instead only the spirit of laziness is invoked, as the person goes to sleep expecting miracles or manna from heaven. On awakening, he sees that the hunger and poverty have not abated and he goes to the street to steal or kidnap an innocent person for ransom. This is absolutely the wrong way to appeal to God for help. He will never listen to such prayers, and such actions may even draw His wrath and attract His punishment.

Democracy demands that people go out and vote for candidates of their choice. The cause of democracy cannot be served when people sell their votes for what today is known as “stomach infrastructure”.

Prayer requires action on our part. Too many who pray, fail to follow up their prayers with ACTIONS! They pray and seek God for a need in their life –after praying, they sit back waiting for God to meet their need. Is God able? Of course, He is God! However, never forget that we pray out of faith, and true biblical or qur’anic faith requires action! If you are praying for God to heal you of an affliction, pray, but then act! Go and see the doctors and specialists that are out there to help heal. Run the necessary tests to establish what the health issue is, and find the best people possible to help bring complete and total healing. God heals in many ways, and the most common way is through human experts called doctors. If you are praying for God to meet your financial needs, pray, but then act! Seek out successful men and women and get their wise counsel. Sit down and put a business plan together to help you meet your financial needs and achieve your financial goals. God can provide for us in many ways, but His most common form of provision is through our hard work.

23 Courtesy of Reverend Father Gabriel Emeasoba in his homily on 21 June 2014 captioned “Do Your Best”.

The ills of stomach infrastructure

There is a canny irony in the ways of the average Nigerian. He likes the good life but does not want to work to achieve it. The contradiction does not just end there. Following years of military dictatorship, all Nigerians breathed some air of relief when democracy was ushered, once again in 1999. The average Nigerian cherishes democracy for the rule of

Nigeria is retrogressing to the dark days when men celebrated being given fish to eat, as against being taught how to fish. Fish is distributed in the name of election campaign

law, and freedom from "immediate-effect" instructions it enthrones. Nevertheless, democracy demands that people go out and vote for candidates of their choice. The course of democracy is not served when people sell their votes for what today is known as "stomach infrastructure". The cause of democracy is damaged when a god father or a mafia decides who should be elected in the odd name of elections. Democracy is subverted when ballot boxes are stuffed with fake votes or when election results are altered in favour of the person who lost the election.

It is appalling that in this century, where hard work should be the watchword, Nigeria is retrogressing to the dark days when men celebrated being given fish to eat, as against being taught how to fish and doing it themselves to eat. Fish is distributed in the name of election campaign, and is designed to falsely appeal to the electorate to buy his vote. Stomach infrastructure (as it is now called) should not negate the fact that dividends of democracy should be given to the electorates, and in any case, providing those dividends is what democracy and leadership is all about in the first place. Dividends of democracy is not about the "stomach" but about adequate welfare of the people and basic amenities such as good schools, for pupils to further their education, good hospitals to keep the people healthy, good roads, electricity, water, as well as employment to enable people make choices about their lives, security and property etc. These are well spelt out in the constitution of every nation as the responsibilities of government. Hence, there has to be provisions for them in the fiscal budget. Also, they engender development and improve standards of living.

The clamour for "stomach" is not the same as the agitation for improved welfare of citizens. It is borne out of the short-sightedness of some Nigerians who believe life is all about today and having food on the table for only today. Stomach infrastructure reminds one of the biblical Esau who sold his birth right to his younger brother, Jacob, for the love of pottage. He later sought it with tears but it was too late. The stomach infrastructure theory advocates are of the opinion that whatever is accrued to infrastructural development in a fiscal year, should be divided into two, with one part going into stomach infrastructure and the second part, who knows, going to the private pocket of the person whose hands are on the till of the people's treasury. They believe

that government cannot be investing heavily on infrastructure when the stomach is empty. They also opine that short-term projects and empowerment are better than long-term or capital projects. This being another perspective to the "short-termism" discussed earlier. Little wonder many roads are in bad conditions after 15 years of uninterrupted democracy.

The problems of power, unemployment and security, among others, still stare the people in the face. Yet, the world is fast moving forward and is leaving Nigeria behind. It is a world of tough competition where even the first, if care is not taken, could become the last. The likes of Japan, China, Malaysia and India, among others, who are keen on catching up with Europe, have made education, innovative technology and infrastructural development a priority, and as such they are gradually becoming a force to be reckoned with. To be clear, attention to stomach infrastructure has been rife across Nigeria and Africa as whole. It is by far the easiest objective to pursue for those seeking public office that have no new ideology or plan to improve the standard of living of the people. Such people are usually deceptive as they, more often than not, change the agenda from the common good to their selfish ends. The result of their activities is usually instant but short lived. As the majority of Nigerians become poorer, the resistance of the Nigerian to this evil phenomenon seems to be collapsing as it becomes clear that its corrupting influence is taking hold in major circles. The blind pursuit of selfish ends through destructive values that stand in stark opposition to the collective wellbeing of the people, is a growing threat to the wellbeing of an ordinary African society.

The likes of Chief Obafemi Awolowo, Dr Nnamdi Azikwe and Sir Abubakar Tafawa Balewa turned around the history of Nigeria, carried out massive economic, social and political infrastructural development for which they are still remembered today. How will you, as a leader wish to be remembered 20 or 30 years from now?

The leadership class should see political offices as a transient authority to serve the people. They need to do what posterity will celebrate them for. Going into deceit in the name of "that is what the people want", will not help the nation. On the other hand, leaders who are already doing the right things in terms of re-defining the landscape of their respective states and localities should not desist from doing so. The likes of Chief Obafemi Awolowo, Dr Nnamdi Azikwe and Sir Abubakar Tafawa Balewa turned around the history of Nigeria, carried out massive economic, social and political infrastructural development for which they are still remembered today. How will you, as a leader wish to be remembered 20 or 30 years from now? That is the crux of the matter and not stomach infrastructure. Let us bear in mind the Chinese proverb that says "If

you pay now, you will play later, if you play now, you will pay later.”²⁴

Politics without ideology

“Politics without Principle” is one of the seven social sins popularised by the Indian sage,

It is doubtless a remarkable public service to focus public debate on the ideological content of politics in Nigeria today. A political party should have ideologically defined platforms on which its members are passionate.

Mahatma Gandhi. How to achieve this constitutionally assigned “primary purpose” of government should be the distinguishing factor between Party A on the right from Party B at the centre, and Party C on the left. No matter how you approach the debate, it is clearly and irrefutably an ideological matter. Even parties on the same locus in the ideological spectrum may have different programmes and policies aimed at achieving basically the same socio-economic strategy as it is now being played out by the Conservative and Liberal parties in the United Kingdom.

Similarly, the strategic goals of the Republicans and Democrats in the United States are fundamentally the same on security and foreign policy, as both are parties of the right, but their policy approaches could be different. The important thing is that there are programmes and policies in place. It is doubtless a remarkable public service to focus public debate on the ideological content of politics in Nigeria today. A political party should have ideologically defined platforms on which its members are passionate. It should interest those public intellectuals who erroneously posit that the issue of ideology in politics is only a socialist/Marxist preoccupation. Does anyone else share the view that neither Nigerian leaders nor political parties have a clearly articulated ideology regarding the country’s political direction? This is clearly demonstrated by the frequency

In a multi-party democratic system like Nigeria’s, frequent party-switching is either an indication that the parties have no underlying ideology, or that the political goals of party members are merely self-serving.

with which Nigerian leaders switch political parties and party loyalty. In 2014, five of the aggrieved governors (G-7) of the People’s Democratic Party (PDP) joined the All People’s Congress (APC). In a multi-party democratic system like Nigeria’s, frequent party-switching is either an indication that the parties have no underlying ideology, or that the political goals of party members are merely self-serving. Whichever the case, it is not good for Nigeria, and it undermines the democratic process. Political parties without underlying ideologies, do not give rational voters the tools they need to

24 www.dailytrust.com.ng/daily/letters/29276-stomach-infrastructure-another-low-in-our-political-milieu

make informed political decisions. Take Nelson Mandela as an example, he believed that South Africa's greatness could only be achieved when South Africans came together regardless of colour or creed. That was his ideology. In advocating for this ideology, he said, "During my lifetime, I have dedicated myself to this struggle of the African people. I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to die".²⁵ It is troubling that even in this time of constitutional and economic crisis, Nigerian leaders are unable to articulate ideological ideas that will give Nigerians hope for a better nation. In the absence of clearly articulated ideological beliefs about how to make society better, members of political parties become a group of cabals, seeking opportunities to loot, as they now appear to be doing in Nigeria. In place of ideology, godfatherism holds sway as the political force in Nigeria, to further compound the challenge the nation faces in allowing the sovereignty of the people.

It is troubling that even in this time of constitutional and economic crisis, Nigerian leaders are unable to articulate ideological ideas that will give Nigerians hope for a better nation.

God-fatherism is a symbiotic relationship between two persons – namely, the godfather and the godson – where the godfather uses his political power and wealth to secure political position for the godson – who upon ascension into power, pays gratification to his mentor in kind or cash. In the first republic, god-fatherism produced notable figures in the likes of Zik, Awolowo, Ahmadu Bello etc. The political godfather usually brings the political godson to the lime light of politics. He (the godfather) connects him (the godson) with highly influential politicians. However, the godson, having successfully clinched the seat with the support of the godfather, quietly tries to side-line his political godfather. This maybe, as a result of over lordship, by their godfather – wanting to dominate the government, giving directives and controlling the administration. The concept of god-fatherism is firmly establishing itself as a guiding principle in contemporary Nigerian politics. The root of this concept is based on positive religious guidance, where a godfather is a man bestowed with the responsibility to train and teach a child Christian values.²⁶ This concept has however been politi-

Every politician wants to become a political godfather. God-fatherism, is as old as politics itself. It is even in the religious centres, as godfathers assist their godsons to acquire power unduly.

25 Nelson R. Mandela's statement to the court during the Rivonia trial, April 20, 1964

26 Longman Dictionary of Contemporary English, Third Edition pg.611

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cally manipulated to suit devious purposes. The Nigerian political scene since the new political dispensation in 1999, has been dominated by godfathers and godsons. In the main, this practice which amounts to a slave-master relationship literally involves the godfather spending tons of money to establish the godson – the process is seen as an investment that must be bountifully rewarded. This reward usually comes with an agreement in looting the state treasury on behalf of the godfather. The nature of the relationship is oppressive and eventually leads to difficulties and violence when the godson ultimately tries to assert independence. It also in most cases amounts to the subversion of the people's will in Nigeria's nascent democracy. God-fatherism invariably also involves the imposition of the favoured godson through corrupt means. Consequently, god-fatherism is everything that is considered evil and is in direct conflict with the values of society – freedom to vote the right leaders, display of ostentatious wealth and the corruption of the democratic system. Politicians in Nigeria should be humane in pursuing their political ambition. Politics in Nigeria has become an investment in which the investors strive to make profit at all cost. As a result, political element is pervading the society. These politicians have been in their usual status quo since the democratic dispensation is grounding the political system. Every politician wants to become a political godfather. God-fatherism, is as old as politics itself. It is even in the religious centres, as godfathers assist their godsons to acquire power unduly.

The Nigerian political process since 1999 seems to have been put under strain and threat with the emergence of political mentors or godfathers of aspiring public office holders (godsons). These godfathers are rich and have so much political influence within their individual states and the country in general. They decide who becomes governor, legislator or local government chairman etc., in their constituencies. They ensure that they

Political godfathers are very desperate in a Machiavellian style. They have been able to subject their political godsons to their whims and caprices, resulting in high level of official and financial corruption in government.

get people into political offices through whatever means – legitimate or illegitimate – largely employing unconventional methods to achieve their aim of political relevance. They believe that every man has his price and would spend as much funds to win the support of other people in the pursuit of their political interest. Elections are rigged through falsification of results and ballot stuffing among others to achieve their objective with members of the opposition suppressed or assassinated. No meaningful development can be achieved both at the local and national levels as long as this unorthodox mechanism is used to put people into offices to loot our treasuries. The attitude

of these political godfathers portrays their disregard for the rule of law in a country with a constitution where nobody is supposed to be above the law of the land. With their enormous wealth and influence in government, they have infected the three arms of

government – the executive, legislature and judiciary, particularly security agencies – to the extent that it has discredited the neutrality of the Nigerian Police force and judiciary. More worrisome is the manner in which corrupt public officials (godsons) are protected and discharged, using all manners of legal technicalities including the monstrous new addition, “plea bargain”, which lets them off the hook with a release of a little of their loot to the state to get away and continue to enjoy their illegitimate wealth. Nigeria are therefore not happy with the abysmal performance of a large number of Governors, legislators and local government chairmen, who unfortunately cannot be called to account or order as long as they remain in the good books of their political godfathers. This has translated into bad governance with the failure to socio-politically and economically deliver dividends of democracy, regardless of the huge amount often allocated to the various levels of government. The multiple conflicts ensuing between godfathers and their political sons that have occurred in several states of the federation become very interesting. There is crisis of confidence between some state Governors and their godfathers which is spreading like a plague. When things fall apart and the centre can no longer hold, (apologies to Chinua Achebe), godfathers and godsons become combatants, battling in public domain for the control of their states, in a manner that will qualify for a national disgrace. All this is happening whilst the people and government suffer under-development as it is often said that, “when two elephants fight, it is the grass that suffers”.

But why do godfathers act through surrogates rather than take over the positions themselves? The fundamental problem is that the godfather is either not directly saleable to voters, or wants to protect himself from liability that results from illegal activities.²⁷ Defying the dictates of some of their mentors/political fathers, has resulted in the removal of some of them from office, as godfathers will not fail to invoke their instrument of political supremacy. The dissonance resulting from god-fatherism can be summarised below:

Corruption: Political godfathers are very desperate in a Machiavellian style. They have been able to subject their political godsons to their whims and caprices, resulting in high level of official and financial corruption in government.

Misapplication and mismanagement of allocated revenue: Revenues allocated to states and councils are often mismanaged with unjustified and ridiculous amounts of contracts awarded to godfathers and other political associates under one disguise or another, for fear of being removed from office. Some are paid monthly allowances from the state's purse for jobs not done, all to satisfy the godfathers at the detriment of the people.

27 <http://collinsoshodi.blogspot.co.uk/2011/05/politics-of-godfatherism-in-nigeria.html>

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Political patronage: Regrettably, in the face of decaying infrastructure, poverty and poor social service delivery, especially in states and local governments, public funds are used for political patronage. Public officers in this context will always be guaranteed their office as long as they receive the blessing of their godfathers, even when their performance is abysmal.

Threat to electoral process: Godfathers will do anything possible to put their political sons into offices through their financial power and influence, and as such, subvert the will of the people by rigging elections, stealing ballot boxes, and manipulating electoral results to the advantage of the political sons which does not express the choice of the people.

Indiscipline: The attitudes of godfathers destroy party loyalty and breed indiscipline. Party decisions that are in conflict with those of the interest of the godfathers are often disregarded or truncated, thereby rendering party leadership ineffective.

Mediocrity: Due to the fraudulent ways with which they get into offices, the godsons are by definition not chosen on merit. Mediocrity rather than merit is promoted, with the consequence of bad governance abounding. Official and financial corruption and waste of public funds by politicians in Nigeria, are the order of the day rather than loyalty to the people. Political sons are loyal to their godfathers. As long as godfathers still operate, the electoral process will always be subject to manipulation, regardless of whatever scientific techniques are applied in the voting process, counting and announcement of electoral results.

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Victimisation of the opposition: Godfathers use their godsons in public offices to victimise, intimidate and oppress political opponents within and outside their political parties. This ugly development has resulted in several violent clashes between those who support the godfathers and their opponents, to create insecurity, threat to lives and property of innocent citizens.

Political empire: With the increase in disagreements between godfathers and their political sons, a new dimension has now been introduced to the polity. Godfathers are now imposing their biological children on the people, as elected or appointed officials of government, even though they are not the best qualified, in the bid to build political empires for themselves, devoid of the people's interest.

Political instability: From antecedents, godfathers are lawless and unconstitutional in the way and manner they execute their plans. This is more evident always in the effort to unseat their disloyal political sons leading to political instability.

Higher authority support: Undoubtedly, godfathers enjoy the support of higher authorities in the presidency for instance and often find ready agents or instruments in the Nigerian Police Force, various State Judiciary and State Houses of Assembly, who are ever ready to circumvent the due process for removing elected public officers like Governors or council chairmen to suit their selfish interest in a country that has a constitution.

Political godfatherism has assumed a new phenomenon in the Nigerian political process, which neither promotes leadership on merit nor wins elections based on the people's choice. The role of political godfathers before and after elections does not promote development – as this can only be improved upon when the people become more conscious of their rights and use it to decide who should lead them.

Justice, peace and happiness

Justice is overwhelmingly important. John Rawls explains that “justice is the first virtue of social institutions, as truth is of systems of thought”²⁸. In classical approaches, evident from Plato through to Rawls, the concept of justice is always construed in logical opposition to the concept of injustice. Such approaches cite various examples of injustice, as problems which a theory of justice must overcome. Justice can be thought of as distinct from benevolence, charity, prudence, mercy, generosity, or compassion, although these dimensions are regularly understood to also be inter-linked. Justice is a concept of cardinal virtues. Justice has traditionally been associated with concepts of fate, reincarnation or divine providence, i.e. with a life in accordance with the cosmic plan. The association of justice with fairness is thus historically and culturally inalienable. Equity on its part refers to a particular set of remedies and associated procedures. This could be an equal right and justice in employment opportunities and adequate provision of basic hospital needs for both the poor, the rich, the old and the young, male and female, no matter the tribe or ethnic group and language. Every Nigerian must be treated equally, especially in acquiring education.

Peace is an occurrence of harmony characterised by lack of violence, vicious behaviour and the freedom from fear of unruliness. Commonly understood as the absence of hostility and retribution, peace also suggests sincere attempts at reconciliation, the existence of healthy relationships, prosperity in matters of social or economic welfare, the establishment of equality, and a working political order that serves the true interests of all.

²⁸ John Rawls. (1971). *A Theory of Justice*. The Belknap Press of Harvard University Press.

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Happiness is a mental or emotional state of well-being characterised by positive or pleasant emotions ranging from contentment to intense joy. A variety of biological, psychological, religious, and philosophical approaches have striven to define happiness and identify its sources. Various research groups, including positive psychology, endeavour to apply the scientific method to answer questions about what "happiness" is, and how it might be attained.

Most violent revolutions have been as a result of the absence of justice and fairness. Slaves rose in rebellion against oppressive and unjust rulers

It is of such fundamental importance to the human condition that "life, liberty and the pursuit of happiness" were deemed to be inalienable rights, by the United States Declaration of Independence. Justice and equity have to do with the degree to which social justice is achieved in a given time and place and should be measured by two notions. Firstly, the greatest good for the greatest number, and secondly, how the least powerful and the smallest minorities in a society are faring.

There are many aspects to justice and the creation of a just world. These include social and economic factors as well as the principles of equity and equal rights. "Social justice" has been defined in a variety of ways. Amongst them, the incorporation of concepts of basic rights, the realisation of human potential, social benefit, a healthy planet, an equitable distribution of resources, equal opportunities and obligations, security, and freedom from discrimination. "Economic justice", however, forms a part of social justice. It seeks the equitable distribution of the world's natural and intellectual wealth so that everyone is able to gain a fair share. According to Credit Suisse in its World Wealth Report, global wealth

Economists have described the co-existence of vast wealth in natural resources and extreme personal poverty in the country as the 'resource curse'.

has risen by 68% over the past 10 years to reach a new all-time high of \$241 trillion and the United States accounts for nearly three quarters of the increase. They further noted that the average global wealth has hit a peak of \$51,600 per adult but this is spread very unevenly, with 10% of the global population being the richest and owning 86% of the wealth²⁹. Dr Jim Kim, World Bank President had said in Washington that Nigeria was among the world's extremely poor countries. He listed the other countries to include India, China, Bangladesh, Democratic Republic of Congo, Indonesia, Pakistan, Tanzania,

Ethiopia and Kenya. He said, "the fact is that two-thirds of the world's extreme poor are concentrated in just five countries: India, China, Nigeria, Bangladesh and the Democratic Republic of Congo. If you add another five countries, Indonesia, Pakistan, Tanzania, Ethi-

29 Credit Suisse Global Wealth Report 2013 http://resisttir.info/varios/global_wealth_report_2013.

opia and Kenya, the total grows to 80% of the extreme poor.”

Ngozi Okonjo-Iweala, however, disagreed with this rating, explaining that the World Bank’s “extreme poor nation” rating of Nigeria, was based on the large number of poor people living in the country. She said that the number of poor people in a country irrespective of the country’s level of development, was the parameter used to rate Nigeria among nations with high poverty level. According to her, the phenomenon of large number of poor people is peculiar with middle-income countries to which Nigeria belonged. India is a middle-income country and one of the largest economies in the world like Nigeria, but the largest number of poor people in the world resides in India, China and other places. Most middle-income countries, including Brazil have large number of poor people. That is the reality of today and Nigeria is no exception. Three Nigerians are amongst Africa’s wealthiest. Aliko Dangote is the richest in Africa and was recently classified among the 25 richest people in the World. Mike Adenuga is Africa’s 5th richest while Mrs Folorunsho Alakija is Africa’s 13th richest³⁰. However, it is sad to note that with this wealth of Nigeria (given its abundant natural and human resources), it still has a preponderance of poor citizenry. Almost 70% of Nigerians live below poverty line while less than 1% live in obscene affluence, owning more than 90% of the nation’s wealth. More than 80% of Nigerian workers do not earn enough to meet their socio-economic obligations, while majority are either engaged in menial labour or have nothing to do at all³¹. Economists have described the co-existence of vast wealth in natural resources and extreme personal poverty in the country as the ‘resource curse’. According to Wikipedia encyclopedia, the ‘resource curse’, also known as the ‘paradox of plenty’. It refers to the paradox that countries with an abundance of natural resources tend to have less economic growth and worse development outcomes than countries with fewer natural resources. This high level of inequality cannot breed peace, progress and happiness.

“The fact is that two-thirds of the world’s extreme poor are concentrated in just five countries: India, China, Nigeria, Bangladesh and the Democratic Republic of Congo. If you add another five countries, Indonesia, Pakistan, Tanzania, Ethiopia and Kenya, the total grows to 80% of the extreme poor.”

Social justice means equal rights for all, regardless of gender, race, class, ethnicity, citizenship, religion, age or sexual orientation. It implies equal rights for women and girls in workplaces, homes and public life. It implies economic justice – which means governments must take active steps to alleviate poverty and redress past injustices. Nigeria is a

30 <http://www.forbes.com/sites/mfonobongnsehe/2015/03/02/the-african-billionaires-2015/>

31 <http://thelightnews.com/nigeria-poverty-amongst-riches/>

nation where thousands starve and minorities are discriminated against. It is possible for a person, who steals a mobile phone, to be sentenced to 17 years imprisonment and another person, who embezzles billions, to be sentenced to just two years imprisonment.

Higher education is, therefore, very important to the Nigerian and the Nigerian economy, both as a significant industry in its own right, and as a source for trained and educated personnel

This sort of biased social justice should be addressed, as the prevalence of injustice and unfairness cannot breed peace, progress and happiness. Across the world, there are thousands of examples of injustice. It can take the form of repression, discrimination, harassment, or simply the failure to redress inequalities. An example is what happened to more than 2000 families resident in Maroko, then a suburb of Lagos, who were kicked out of their homes on 14th July 1990. This deed was said to have been carried out by heavily armed soldiers under the watch of Colonel Raji Rasaki, a former military Governor of Lagos State, supervised by the then military President, Ibrahim Babaginda. The implication was that their plight and restitution were in the hands of the federal and Lagos state governments.

When there is justice and equity in the land, happiness and peace will surely be guaranteed. Without justice in a land, peace and happiness cannot be guaranteed and the country will be in chaos. True peace is not merely the absence of tension, it is also the presence of justice. According to Martin Luther King JR, in 1955 while responding to the accusation that he was "disturbing the peace" by his activism during the Montgomery Bus Boycott in Montgomery, Alabama:³² "Peace is not an absence of war, it is a virtue, a state of mind, a disposition for benevolence, confidence, and justice".³³ It must be concluded, from all that has been said that it would be disingenuous to presume that peace is more important than justice. Indeed, by its very nature, the absence of fairness and justice is a recipe for inevitable absence of peace (hostility). Not to belabour the point, most violent revolutions have been as a result of the absence of justice and fairness. Slaves rose in rebellion against oppressive and unjust rulers; the Civil Rights marches of Martin Luther King Jnr. were against an unjust system of segregation; the unjust, unfair and discriminatory Apartheid regime in South Africa was violently resisted by the ANC and Nelson Mandela; even Mahatma Gandhi's famous non-violent campaign was actually a campaign against the injustice of British imperialist rule. Finally, the recent 'Arab Spring' was an uprising against decades of undemocratic, unelected, monarchical, corrupt, brutal, unjust and unfair regimes. Where there is a continued absence of fairness, and justice, there will inevitably be an absence of peace.

32 Stephen B. Oates. (1982). A Life of Martin Luther King, Jr

33 <http://www.brainyquote.com/quotes/quotes/b/baruchspin101666.html>

Peace, like war must Bbe waged

As the late Fela Anikulapo Kuti, the Afro-beat legend, once sang in his song, "*When police man slap your face, you no go talk... I no wan die, papa dey for house, mama dey for house, I no wan die*", is an appropriate description of the docility of the Nigerian as it relates to sleeping on his rights. Even the constitution of the Federal Republic of Nigeria guarantees the fundamental human rights of its citizens in Chapter IV of the 1999 constitution. Yet the same constitution in the same chapter IV restricted and eroded its citizens fundamental human rights stating that; "Nothing in Sections 37, 38, 39, 40 and 41 of the constitution shall invalidate any law that is reasonably justifiable in a democratic society". This particular provision is what some Nigeria's law enforcement agents like the police, LASTMA etc. have abused, yet those who know their rights are either unwilling or unable to take action. An example of this is the activities of LASTMA in Lagos, charged with the management of traffic and are arresting motorists –some of who are already depressed due to their hapless conditions. These motorists are not given to freely expressing themselves, instead they resort to begging and lobbying.

The next example relates to recipients of pension funds, where an individual, who might have spent 35 solid years serving his or her nation, is delayed and denied (in the worst case) their gratuities and other take home packages. Others might be unable to benefit from same as a result of corrupt officials entrusted to pay the retirees. This matter is so grave that the people of Nigeria must rise up to protect their patrimony from being totally plundered by those who have been asked to protect it. George Clooney best expressed this motion in this quote: "Peace is not just a coloured ribbon. It's more than a wristband or a T-shirt. It's not just a folk song, or a white dove. And peace is certainly more than a celebrity endorsement. Peace is a full time job. It's protecting civilians, over-seeing elections and disarming ex-combatants. The UN has over 100,000 peacekeepers on the ground, in places others can't or won't go, doing things others can't or won't do. Peace like war, must be waged."³⁴ This is strengthened when people seek redress in court as it extends knowledge and creates precedents. Testing cases in court should be encouraged if only because of this. Delay, it is said, defeats equity and equity aids the vigilant not the indolent. It is a general principle of equity that a person will not be granted an equitable remedy if he has been guilty of undue delay in bringing his action. Such delay is also known as laches. Courts of equity refuse aiding stale demands – where a party has slept upon his right and acquiesced for a great length of time. The law does not support the statement in George Powell's Animal Farm that; "all animals are equal but some are more equal than the others". All citizens are considered equal before the law but this right has to be exercised for it to take effect and justice unleashed in the land.

34 <http://thinkpeace.wordpress.com/2009/07/08/peace-like-war-must-be-waged-by-george-clooney/>

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The focus here is on peace because it is very important in the life of every individual. Nigeria can be a better place if people learn to tolerate one another. The dream of every Nigerian should be how to make the country greater than it is now. This means working together to make Nigeria a comfortable place for all.

Fanning the flame

Amartya Sen in a speech to the Commonwealth education conference, Edinburgh, on the importance of basic education, explained that HG Wells was not exaggerating when he said, in his *Outline of History*: "human history becomes more and more a race between education and catastrophe." If we continue to leave vast sections of the people of the world outside the orbit of education, we make the world not only less just, but also less secure. The precariousness of the world is now greater than it already was in HG Wells's time in early 20th century. Indeed, since the terrible events of September 11th, 2001 –and what followed thereafter– the world has been very aware of problems of physical insecurity. Widening the coverage and effectiveness of basic education can have a powerfully preventive role in reducing the human insecurity of the nation. The most basic issue relates to the elementary fact that illiteracy is a form of insecurity in itself. The inability to read, write, count or communicate is a tremendous deprivation. The first and most immediate contribution of successful school education is a direct reduction of this basic deprivation and extreme insecurity, which continues to ruin the lives of a large part of the global population, including Nigeria.

When people are illiterate, their ability to understand and invoke their legal rights can be very limited, and educational neglect can also lead to other kinds of deprivation. Indeed, this tends to be a persistent problem for people at the bottom of the ladder, whose rights are often effectively alienated because of their inability to read and see how and what they are entitled to demand. The educational gap clearly has a class connection. Illiteracy can also muffle the political opportunities of the underdog, by reducing their ability to participate in politics and express their demands effectively. This can contribute directly to their insecurity, since the absence of a voice in politics can entail a severe reduction of influence and the likelihood of just treatment of those who are kept on the wrong side of the gap. Basic education can also play a major role in tackling health problems in general and epidemics in particular. It is easy to see the importance of specialised health education (for example, through the prevention of diseases and the spread of infections). But even general education can broaden a person's thought processes and generate social understanding in ways that may be extremely important in facing epidemiological problems. Indeed, some studies have suggested that general school education has a bigger impact on health than specialised health education has.

In promoting friendship and loyalty, and in safeguarding the commitment to freedom

and peace, basic education can play a vital part. This requires, on the one hand, that the facilities of education be available to all, and on the other, that children be exposed to ideas from many different backgrounds and perspectives. They also need to be encouraged to think for themselves. Basic education is not just an arrangement for training to develop skills (important as that is), it is also a recognition of the nature of the world, with its diversity and richness, and an appreciation of the importance of freedom and reasoning as well as friendship. The need for that understanding and vision has never been stronger³⁵.

Oladejo Mayowa Williams wrote that "education in its simplest sense is understood to be a means of overcoming handicaps, achieving greater equality and acquiring wealth and status; while in its broadest sense it can be described as any act or experience that has a formative effect on both the mind, and the physical ability of a person. Its purpose, therefore, is believed to be a rigid developer to the mind of an individual to its full potential". There is no doubt that the level of breakthrough in a country like Nigeria is directly proportional to its educational level. It is a known fact that no nation can be fully developed without massive investment in the educational system. This is because education is the supreme light-giver, it adds quality to life, provides access to culture and cultural heritage, empowers and emancipates citizens as well as brings people together. Higher education is, therefore, very important to the Nigerian and the Nigerian economy, both as a significant industry in its own right, and as a source for trained and educated personnel for the rest of the economy.

All nations that are among the league of developed nations today (regarded as world powers), have achieved one technological feat or the other.

A nation, whose citizens exhibit a lukewarm attitude to education, showing little quality interest to useful information, is obviously heading astray. Reading is one of the most fundamental building blocks of learning. Reading is the corner stone of learning. Reading in all its variety is vital to being better informed, having a better understanding of self as well as others. It makes man a thoughtful and constructive contributor to any democratic and cohesive society. Reading sharpens the mind, makes one reason rationally and objectively, as well as projects one for greatness in life. Becoming a skilled and adaptable reader enhances the chances of success at school and beyond. Reading is not just for school, it is for life. Reading culture, on the other hand, is the process of building up positive reading attitude. When youths repeatedly and reg-

It is therefore, an irony that given the importance of education, most state governments and families do not consider it of absolute necessity to send their children to school.

35 <http://www.theguardian.com/education/2003/oct/28/schools.uk4>.

ularly engage in reading books and other information-bearing materials that are not necessarily required for their advancement in their disciplines or careers, they can be said to have inculcated a meaningful reading culture. Honestly speaking, the gap in the reading culture between the Nigerian youth and youth nationals of other countries, especially those in the developed world, is extremely glaring. A typical Nigerian youth may not pick up just a single book to read for weeks. Contemporary Nigerian youths are

If lessons were genuinely learned from past experiences in all spheres of life, then the same mistakes would not be repeated.

waxing stronger with less attraction to books and serious reading. They prefer to rather surf the internet, watch TV, party, cohabit, visit pubs etc. Some seldom read national dailies only if there is nothing else to occupy themselves with. In the early sixties and just after Independence, education in Nigeria was absolutely standard and in fact primary education was free and compulsory all over Nigeria. But today, more than 10 million youths are not in school, they are roaming the streets. It is therefore, an irony that given the importance of education, most state

governments and families do not consider it of absolute necessity to send their children to school. If significant changes must be made in the current Nigerian circumstance and inequality is to be reduced, it is important that free and compulsory primary education is promptly reintroduced.

Failing to close the gap

What bedevils the society in addition to this cognitive dissonance that has been discussed as epitomised by the inherent contradictions, is the inability of the nation and its people to learn lessons and draw from historical knowledge to improve processes. Process improvement is the systematic approach to closing structural or system performance gaps, through streamlining, identification and elimination of archaic ways of doing things, enhancement of process variation and complete disregard of non-value adding activities either in government, or in any other human endeavour. Everything learned from previous experience, whether they were successes or failures, can teach important lessons. Individual, entities and nations usually do learn from their own previous experiences. If lessons were genuinely learned from past experiences in all spheres of life, then the same mistakes would not be repeated. Since Nigeria is always battling the same challenges of political structure, governance, corruption, rule of law, etc., it would be safe to surmise that lessons are not really being learned and as such the processes applied cannot be improved. As is attributed to Talleyrand in speaking about the restored Bourbon dynasty after the abdication of Napoleon, and subsequently used against the French socialists and others, "Nigerians had learned nothing and forgotten nothing", which comes close to Einstein's definition of insanity as, "doing the same thing over and over, and expecting different results".

The strength of process improvement in all spheres of man's activities, whether in government or in private life, is very vital and this must always be accorded constant review, and reworked for competitiveness and relevance in this changing world of ours. Process improvement can also be referred to as change, as this is very dynamic. Without process improvement or change, collective existence today would have long been forgotten or remained at a very primitive age and this may probably not have been too different from that of our forefathers. However, with the constant advancement in man's knowledge, a lot of innovations and inventions made, have improved the standards of living for all and sundry. Again, because of the changes that are constantly going on around us, the new ways of doing things, which is brought about by civilisation and process improvement, becomes inevitable for any government and its citizens that intend to remain relevant within the comity of nations. While most countries of the world are always refining and making new adjustments to improve and advance their processes, Nigeria is deep in slumber and always looking for miracles from heaven to solve its multitude of problems. This has made the country and its people to remain backward. One major example is its lack of technological advancement, which drives the key sectors of western nations, from the economy, security, agriculture, transport, education, judiciary, governance etc. as shown below:

- Over the years, technology has been adjudged to be a critical prerequisite for the development of any nation. All nations that are among the league of developed nations today (regarded as world powers), have achieved one technological feat or the other.
- There is no gainsaying the fact that the level of power and influence a nation asserts in our present competitive global village is consequent on the advancement of such a nation in its technological development.
- Thus, Nigeria, as an emerging developing economy, desiring to be among the 20th most developed nations by the year 2020, has been facing the challenges of technological development which is a major precursor for sustainable development.
- This critically interrogates the seeming issues and challenges of technological development in Nigeria over the years and underscores the utility of technological development in enhancing sustainable development in Nigeria towards providing some recommendations to help Nigeria realise her dream of joining the comity of developed nations by the year 2020, as encapsulated in the Vision 2020.
- It is posited (among others), that government should continue to formulate and implement policies that would help to harness and galvanise technology in a bid to actualise sustainable development in Nigeria.
- Next to the gift of life is technology; for it is the greatest of God's gifts as it offers to the poor, a short cut to wealth. It is a way of amassing wealth through creativity rather than hard labour.
- Science and technology are the indispensable vehicles for transforming a society from

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backwardness to modernity; from being a liability to becoming an asset; from being a non-industrialised nation to an industrialised nation; from a dependent economy to a self-reliant one; and from an import-oriented economy to an export-oriented one.

According to Makodi,³⁶ since Independence in 1960, Nigeria's governing political elite, whether civilian or military have often made gestures to the development ideology. Interestingly, they often recognise technological advancement as one of the key components. For example in 1979, Olusegun Obasanjo, then military Head of State noted that "the great industrial nations of the world did not become great by folding their arms and wishing to be great; also greatness which may be approximated to development, cannot be achieved through the potentials for greatness, but by taking crucial decisions to make the most of what one needs by oneself". The main thrust here is to emphasise the utility of technology as the major driver towards achieving sustainable development in Nigeria's 52 years of nationhood and seven years away from the much celebrated "Vision 2020".

Technology is today the primary index of power. It is the dividing line between the developed and the developing countries. It is the key factor that defines the masters and servants of our world. In a nutshell, developing countries like Nigeria cannot hope to prosper in an increasingly competitive global economy and open trading system, if they do not build the appropriate scientific and technological capacity to produce more value-added goods and services. In fact, technology is the dividing line between developed and less developed nations, and the precursor to sustainable development. Hence, no technology, no development. It suffices to say that we have moved from political cum economic determinism, to technological determinism in the 21st century – the age of globalisation – and Nigeria cannot afford to be left behind. Nigeria must articulate a thoughtful and comprehensively informed appropriate technology programme and policy that will help to galvanise development.

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How much land does a man need?

Cognitive dissonance makes the average Nigerian perfect the art of lying -- believing one thing and doing another. In the main, such attitude or character is propelled by greed. Self-aggrandisement and promotion of self to the destruction of the larger society is usually the driving force to all that. In philosophy, egoism is the theory that one's self, or should be, the motivation and the goal of one's own action. Egoism has two variants

36 Stephen, Makoji Robert & Orokpo, Ogbole F.E Department of Public Administration Federal Polytechnic Idah, Kogi State Being a Paper Presented in 2005),

--descriptive or normative. The descriptive (or positive) variant conceives egoism as a factual description of human affairs. That is, people are motivated by their own interests and desires, and they cannot be described otherwise. The normative variant proposes that people should be so motivated, regardless of what presently motivates their behaviour. The term "egoism" is derived from "ego," –the Latin term for "I" in English. Egoism should be distinguished from egotism, which means a psychological overvaluation of one's own importance, or of one's own activities. People act for many reasons; but for whom, or what, do or should they act—for themselves, for God, or for the good of the planet? Can an individual ever act only according to her own interests without regard for others' interests? Conversely, can an individual ever truly act for others in complete disregard for her own interests? The answers will depend on an account of free will. Some philosophers argue that an individual has no choice in these matters, claiming that a person's acts are determined by prior events which make illusory any belief in choice. Nevertheless, if an element of choice is permitted against the great causal impetus from nature, or God, it follows that a person possesses some control over his or her next action, and, that, therefore, one may inquire as to whether the individual does, or, should choose a self-or-other-oriented action. Morally speaking, one can ask whether the individual should pursue his or her own interests, or, whether she should reject self-interest and pursue others' interest instead. To what extent are other-regarding acts morally praiseworthy compared to self-regarding acts?

In contrast to egoism, altruism or selflessness is the principle or practice of concern for the welfare of others. Altruism is the opposite of egoism. It is a traditional virtue in many cultures and a core aspect of various religious traditions and secular worldviews, though the concept of "others" towards whom concern should be directed can vary among cultures and religions. Altruism or selflessness is the opposite of selfishness. Altruism can be distinguished from feelings of loyalty. Pure altruism consists of sacrificing something for someone other than one's self (e.g. sacrificing time, energy or possessions) with no expectation of compensation or benefits,– either direct, or indirect (e.g., receiving recognition for the act of giving). Much debate exists as to whether "true" altruism is possible. The theory of psychological egoism suggests that no act of sharing, helping or sacrificing can be described as truly altruistic, as the actor may receive an intrinsic reward in the form of personal gratification. The validity of this argument depends on whether intrinsic rewards qualify as "benefits." The term altruism may also refer to an ethical doctrine that claims that individuals are morally obliged to benefit others. Used in this sense, it is usually contrasted with egoism, which is defined as acting to the benefit of one's self.³⁷ There are different theories of egoism. First descriptive egoist's theory is called, "psychological egoism" Psychological egoism describes human nature as being wholly

37 <http://en.wikipedia.org/wiki/Altruism>.

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self-centred and self-motivated. Examples of this explanation of human nature predates the formation of the theory, and, are found in writings such as that of British Victorian historian, Macaulay, and, British Reformation political philosopher, Thomas Hobbes. To the question, "What proposition is there respecting human nature which is absolutely and universally true? Macaulay, replies, "We know of only one ... that men always act from self-interest." In *Leviathan*, Hobbes maintains that, "No man giveth but with intention of good to himself; because gift is voluntary; and of all voluntary acts the object to every man is his own pleasure." In its strong form, psychological egoism asserts that people always act in their own interests, and, cannot but act in their own interests, even though they may disguise their motivation with references to helping others or doing their duty.

The second variant of egoism is normative, in that it stipulates that the agent ought to promote self above other values. Herbert Spencer said, "Ethics has to recognise the truth, recognised (identified) in the unethical thought that egoism comes before altruism. The acts required for continued self-preservation, including the enjoyments of benefits achieved by such acts, are the first requisites to universal welfare. Unless each duly cares for himself, his care for all others is ended in death, and if each thus dies, there remain no others to be cared for." He was echoing a long history of the importance of self-regarding behaviour that can be traced back to Aristotle's theory of friendship in the *Nicomachean Ethics*. In his theory, Aristotle argues that a man must befriend himself before he can befriend others. The general theory of normative egoism does not attempt to describe human nature directly, but asserts how people ought to behave. It comes in two general forms: rational egoism and ethical egoism. The progress of the world is dependent on ethical egoism classified as conditional egoism. This is the theory that egoism is morally acceptable or right if it leads to morally acceptable ends. For example, self-interested behaviour can be accepted and applauded if it leads to the betterment of society as a whole; the ultimate test rests not on acting self-interestedly but on whether society is improved as a result. A famous example of this kind which forms the foundational roots of capitalism and economic freedom as has been discussed earlier, is the thinking so clearly espoused by Adam Smith in his work, *The Wealth of Nations*.

In that work, Smith outlines the public benefits resulting from self-interested behaviour writing: "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages". As Smith himself admits, if egoistic behaviour lends itself to society's detriment, then it ought to be stopped. The theory of conditional egoism is thus dependent on a superior moral goal, such as an action being in the common interest, that is, the public good. The grave problem facing conditional egoists is ascertaining the standards on which to base the limits of egoism. In other words, who or what is to define

the nature of the public good? If it is a person, who is set up as the great arbitrator of the public, then there is uncertainty, guaranteeing that he or she is embodying or arguing for an impartial standard of the good and not for his or her own particular interest.

The African culture and tradition enthrone altruism above egoism. In particular, it despises psychological egoism and normative egoism in its purest form. The society promotes "being your brother's keeper", and even emphasises communal good through self-sacrifice. However, the rise of public administration and the discovery of petroleum and natural gas are two major events that seem to have led to a litany of ignoble greed. Over the years, the country has seen its wealth withered with little to show in living conditions of the average human being. A Nigerian political leader, Obafemi Awolowo, raised a salient issue when he said, "Since Independence, our governments have been a matter of few holding the cow for the strongest and most cunning to milk. Under those circumstances, everybody runs over everybody to make good at the expense of others".³⁸ The pervasive corruption in the nation has been blamed on slavery on the one hand and colonialism on the other.

According to this view, the nation's slavery and colonial history may have restricted any early influence in an ethical revolution and may have helped create the greed. Throughout slavery and colonial period, most Nigerians were stuck in ignorance and poverty. The trappings of the good life enjoyed by the slave masters, flashy cars, houses and success of the colonists may have influence the poor to see the colonists as symbols of success and to emulate the colonists in different political ways.³⁹ Involvement in the agenda of colonial rule may also inhibit idealism in the early stage of the nascent nation's development. A view commonly held by the average Nigerian during the colonial days was that the colonist's property (cars, houses, farms, etc.) is not "our" property. Thus vandalism and looting of public property was not seen as a crime against society. This view is what has degenerated into the more recent disregard for public property and lack of public trust and concern for public goods as a collective national property. Petty corruption is widespread, propelled by greed, such that it is difficult to do business in Nigeria without having to make facilitation payments to public officials. Property rights, contracts and commercial disputes can be difficult to enforce and settle in Nigerian courts due to corruption, inefficiency and under-staffing. Tax administration lacks transparency that has led either to high levels of tax evasion or tax officials demanding bribes in return for lower tax rates. The police are perceived to be one of the most corrupt institutions in Nigeria, and the X-Squad, the disciplinary unit responsible for investigating corruption within the police is reportedly compromised as well. Cognitive dissonance, which is

³⁸ <http://arcadiafoundation.org/latest-papers/africa/nigeria-africas-historical-giant-of-corruption/>

³⁹ Nigeria: Corruption Perception Index

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pervasive in the average Nigerian, firmly believing in religion and culture of the need to love your neighbour as your self has translated to the worst form of egoistic greed which festers in the corruption and decay that unfortunately abounds. Of course, viewing greed as selfish, sinful or evil is nothing new. Greed or avarice, after all, is specifically cited as one of the Seven Deadly Sins in Christendom. And Dante Alighieri's *Inferno* dedicates an entire circle of Hell to the painful punishment of the greedy. But is greed ever good?

Greed, like lust and gluttony, is traditionally considered a sin of excess. But greed tends to be applied to the acquisition of material wealth in particular. St. Thomas Aquinas said that "greed is a sin against God, just as all mortal sins, in as much as man condemns things eternal for the sake of temporal things." So greed or avarice was seen by the Church as sinful due to its overvaluation of the mundane rather than immaterial or spiritual aspects of existence. Avarice describes various greedy behaviours such as betrayal or treason for personal gain, hoarding of material things, theft, robbery, and fraudulent schemes. For many in a secular society, wealth is the key to real happiness. They may seek to accumulate wealth by working hard all their lives; for most of us, though, work just gets us by, with only a little left over. Others seek to acquire wealth by shortcuts: winning a lottery or sweepstakes, making it big on a TV game show, inheriting someone else's hard-earned wealth, or perhaps even stealing whatever we can. But the idea that wealth can bring happiness to people for whom this life is all there is, is just an illusion, as any number of miserable millionaires can testify. In a secular world, where the only perspective on life that matters is "under the sun," accumulating wealth is just one more vanity in a life without meaning.

Only few people have ever accumulated as much wealth as Solomon. In the Bible, Solomon outlined his many achievements and all the pleasure and riches he was able to acquire by the work of his hands. His wealth was worth dying for. It also explains how the nations of the world flocked to Jerusalem year after year to gawk and wonder at the wealth and wisdom of Solomon. And they all brought their gifts to add to his incredible riches. But,

The contradiction that propels egoism, greed and selfishness is fuelled by the rationalisation that it is better to corruptly enrich oneself and live a good individual life than pursue public good

deep in the midst of his hiatus from trusting in God, Solomon reflected on the meaning of all his great wealth: "Then I considered all that my hands had done, and the toil I had expended in doing it, and behold, all was vanity and a striving after wind, and there was nothing to be gained under the sun." How many wealthy materialists have echoed that same sentiment? The wealthy lose sleep worrying about how they're going to keep the riches they've accumulated. They will go to any length to preserve their riches, taking advantage of others by various means in order to secure their own status. If he makes a foolish investment, the

wealthy man can lose all his riches in a moment. Strangers, sycophants, and governments threaten his wealth by one means or another. Besides, we're all going to die, and no one knows when his number may be up; there just isn't enough time to acquire and enjoy all the wealth we think we need. Not even wealth can enable men to escape the vanity that is the inherent property of a secular age.⁴⁰

The futility of greed is better told in a fable whose protagonist of the story is a peasant named Pahom, who overhears his wife and sister-in-law argue over the merits of town and peasant farm life. He thinks to himself "if I had plenty of land, I shouldn't fear the Devil himself!" Unknown to him, Satan was present, sitting behind the stove and listening. Satan abruptly accepts his challenge and also tells that he would give Pahom more land and then snatch everything from him. A short amount of time later, a landlady in the village decides to sell her estate, and the peasants of the village buy as much of that land as they can. Pahom himself purchases some land, and by working off the extra land is able to repay his debts and live a more comfortable life. However, Pahom then becomes very possessive of his land, and this causes arguments with his neighbours. "Threats to burn his building began to be uttered." Later, he moves to a larger area of land at another Commune. Here, he can grow even more crops and amass a small fortune, but he has to grow the crops on rented land, which irritates him.

Finally, after buying and selling a lot of fertile and good land, he is introduced to the Bashkirs, and is told that they are simple-minded people who own a huge amount of land. Pahom goes to them to take as much of their land for as low a price as he can negotiate. Their offer is very unusual: for a sum of one thousand rubbles, Pahom can walk around as large an area as he wants, starting at daybreak, marking his route with a spade along the way. If he reaches his starting point by sunset that day, the entire area of land his route encloses will be his, but if he does not reach his starting point he will lose his money and receive no land. He is delighted as he believes that he can cover a great distance and has chanced upon the bargain of a lifetime. That night, Pahom experiences a surreal dream in which he sees himself lying dead by the feet of the Devil, who is laughing. He stays out as late as possible, marking out land until just before the sun sets. Toward the end, he realises he is far from the starting point and runs back as fast as he can to the waiting Bashkirs. He finally arrives at the starting point just as the sun sets. The Bashkirs cheer his good fortune, but exhausted from the run, Pahom drops dead. His servant buries him in an ordinary grave only six feet deep, thus ironically answering the question posed in the title of the story⁴¹.

40 <http://www.breakpoint.org/the-center/columns/viewpoint/733-the-vanity-of-wealth>

41 http://en.wikipedia.org/wiki/How_Much_Land_Does_a_Man_Need%3F

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The contradiction that propels egoism, greed and selfishness is fuelled by the rationalisation that it is better to corruptly enrich oneself and live a good individual life than pursue public good, and end up a poor fellow. The corrupt often question the usefulness of long life if there is no money to back it up. Painfully, until the Nigerian expunges the multifarious contradictions in his way of life and becomes more altruistic in terms of placing the good of the nation above his selfish end, so long will true progress and national development remain a mirage.

CHAPTER TWELVE

Do the right things and do things right

"I can't change the direction of the wind, but I can adjust my sails to always reach my destination."

– Jimmy Dean

- A necessary look back
- Pluralism and inclusion
- Too clever by half
- A big fish in a small pond
- Escaping the resource curse

A necessary look back

People often talk of the 'Nigerian enterprise'. This connotes that the nation-state should strive to meet its corporate mission and vision. In this regard, it could be posited that the citizens of the nation, being its primary stakeholders expect the leadership to regularly deliver abundant dividends to them in the form of enhanced wealth creation represented by increasing per capita GDP and continuously improving their standard of living, whilst keeping them and their property safe at all times. The political leaders of the nation, like their corporate counterparts, should strive to deliver the corporate mission within the tenets of value for money, (although strictly speaking, a nation cannot entirely be run as a company). Nevertheless, as much as possible the pursuit of value for money – which is delivering a good governance in an economical manner, injecting efficiency in the affairs of government that will ensure productivity and support continuous growth, and above all ensuring that effectiveness which means that government sets and meets objectives – are pursued. As efficiency cannot be obtained without economy, we can reduce the equation to the simple fact that a government (akin to the Board of a company) should strive to be efficient and effective. Effectiveness is often referred to as doing the right things, while efficiency is doing things right. According to Peter Drucker, "Management

is doing things right; leadership is doing the right things”¹. Government, like businesses, always has tremendous decision-making challenges, due to lack of relevant, complete, accurate, and timely information or contradictory or conflicting demands made by different sections or groups within the country. This problem has become more acute, given the pace and depth of societal change. With all of this change and chaos swirling around us, it is not difficult to understand why some leaders spend precious human resources, time, and money on doing a lot of things right, but do not quite manage to achieve this feat because of managerial inefficiency. Efficiency equates to the smooth-running of entities, be they organisations or nations. Efficiency means optimal performance. Efficiency illustrates competency and expertise. Certainly all of these attributes represent qualities that people expect leaders to establish within their enterprise or in their nation’s administration. However, it is very easy for the leader to lose focus and concentrate on efficiency instead of effectiveness.

Not measuring whether there is success or not would mean that we cannot differentiate failure from success.

Effectiveness is achieving set objectives, meaning that a review of the attribute is an external measure of process output or quality. It can and should be evaluated the way stakeholders, clients, customers, or other recipients of the service or product evaluate it. Ineffectiveness is more debilitating than inefficiency, because as it is said, you can climb the wrong wall in a perfect way. In fact efficiency is a waste of time if the wrong outputs are achieved. Besides, to achieve effectiveness, it is important to set the right objectives that must be pursued in an effective manner. Failure to set objectives is bad in itself in the sense that there will be no pre-determined baseline to measure success against. Again not measuring whether there is success or not would mean that we cannot differentiate failure from success. Ineffectiveness can be due to lack of focus, poor communication, or not being acquainted with stakeholders’ needs and expectations.

Effectiveness is critical for organisational success in a competitive environment. This will sharpen the leader’s vision, enhance clarity and empower decision-makers

Effectiveness is critical for organisational success in a competitive environment. This will sharpen the leader’s vision, enhance clarity and empower decision makers+ with the ability to better understand what is required to successfully pursue the objective. This level of visibility equips leaders with the ability to take action by making well-informed decisions that will in turn enable them in “doing the right thing.’ It is equal-

1 Peter F. Drucker. (2001). *Essential Drucker: Management, the Individual and the Society* Oxford: Butterworth-Heinemann Ltd.

ly important to recognise that doing the right things also means avoiding 'doing the wrong things'. As previously explained, effectiveness is more important than efficiency as it makes no sense to do the wrong things efficiently. This also attests to why leaders should focus on the big picture, continuously define and redefine the objective, as encapsulated in their vision, while delegating to their management teams to efficiently pursue the set objectives. To do otherwise is putting the cart before the horse. Inefficiency can be caused by process errors, inaccessible information, bottlenecks, variations, costly or non-value added steps in the process. Improving efficiency leads to better utilisation of resources, and reduced costs or time to deliver a product, service or societal good.

The Nigerian nation-state needs to step back and review why its national economic and development goals are attained sub-optimally. It is also very important to look at the processes applied and make efforts to improve on them to enhance efficiency of the desired dividends of democracy.

The relationship between effectiveness and efficiency is a very strong one even for a nation-state. Effectiveness requires meticulous analysis of gaps in the pursuit of an entity's goals, while efficiency comes from a review of the processes applied to pursue those goals or objectives. The Nigerian nation-state needs to step back and review why its national economic and development goals are attained sub-optimally. It is also very important to look at the processes applied and make efforts to improve on them to enhance efficiency of the desired dividends of democracy. It is very clear from all that has been discussed so far that there is a deficit both in efficiency and effectiveness of government programmes. A review of the issues that account for the challenges facing the nation require a detailed evaluation.

Pluralism and inclusion

Countries develop economically or otherwise because of the maturity and beneficial import of the institutions that they have created. This is a key factor in the determination of whether a country is rich or poor. The different institutions, the rules influencing how the economy works and the incentives which motivate people to work and invest, all play very significant roles. Inclusive economic institutions are those that allow and encourage participation in economic activities by the great mass of people. They allow the people to make the best use of their talents and skills and enable individuals to freely make the choices that they wish. To be inclusive, economic institutions must provide secure private property, an unbiased system of law and adequate public services that will permit a level playing ground in which

Economic institutions must provide secure private property, an unbiased system of law and adequate public services that will permit a level playing ground in which people can exchange and contract.

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people can exchange and contract; it also must permit the entry of new businesses and allow people to choose their careers. Inclusive economic institutions foster economic activities, productivity, growth and economic prosperity. Secured property rights are central, since only those with such rights will be interested in investing and increasing productivity.

A businessman, who is of the opinion that his output might be stolen, expropriated or

The state is thus inexorably intertwined with economic institutions, as the enforcer of law and order, private property and contracts, and often as a key provider of public services.

entirely taxed away, will have little incentive to work, let alone any incentive to undertake investments and innovations. These rights must exist for the majority of the people. Secured property rights, the rule of law, public services, and the freedom to contract and exchange goods, all rely on the state – the institution with the coercive capacity to impose order, prevent theft and fraud and enforce contracts between private parties. To function well, society also needs other public services – roads and a good transportation network for goods to be trans-

ported, public infrastructure for economic activities to flourish and some form of basic regulation to prevent fraud and malfeasance. Though many of these public services can be provided by the market and private citizens, the degree of coordination necessary to do so on a large scale, is often vested in a central authority. The state is thus inexorably intertwined with economic institutions, as the enforcer of law and order, private property and contracts, and often as a key provider of public services. Therefore, inclusive economic institutions need and use the state.

Institutions, which have contrary features to those mentioned above, are extractive economic institutions. They are extractive because such institutions are designed to extract

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income and wealth from one subset of society to benefit a different subset. Inclusive economic institutions create inclusive markets, which not only give people freedom to pursue the vocations in life that best suit their talents, but also provide a level playing ground that gives them the opportunity to do so. Those who have good ideas will be able to start their businesses, workers will engage in activities where their productivity is greater, and less efficient firms can be replaced by more efficient ones. Inclusive economic institutions also pave the way for two other engines of prosperity -- technology and education. Sustained economic growth is almost always accompanied by technological improvements which enable peo-

ple (labour), land and existing capital (buildings, existing machines and so on) to become more productive. Intimately linked to technology are the educational skills, competencies and know-how of the workforce acquired in schools, at home and on the job. The world is much more productive today than a century ago, not just because of better technology embodied in machines, but also because of the greater know-how that workers possess.

All the technology in the world would be of little use without workers who knew how to operate it. But there is more to skills and competencies than just the ability to run machines. It is the education and skills of the workforce that generate the scientific knowledge upon which progress is built and that enable the adaptation and adoption of these technologies in diverse lines of business. The low education level of poor countries is caused by economic institutions that fail to create incentives for parents to educate their children and likewise by political institutions that fail to induce the government to build, finance, support schools and the wishes of parents and children. According to Acemoglu and Robinson, the price these nations pay for the low education of their population and lack of inclusive markets is high. They fail to mobilise their nascent talent. They have many potential 'Bill Gates' and perhaps one or two 'Albert Einsteins' now working as poor uneducated farmers, being coerced to do what they don't want to do, or being drafted into the army because they never had the opportunity to realise their vocation in life². The ability of economic institutions to harness the potential of inclusive markets, encourage technological innovation, invest in people and mobilise the talents and skills of a large number of individuals is critical for economic growth.

Ample evidence has been provided to show that Nigeria needs to invest quality leadership time in creating inclusive institutions. The level of poverty and unemployment across the country, the number of children that are roaming the streets instead of being in schools (where they can be guaranteed a foot hold in the economic ladder) is all indicative of this dire need. With the prevailing rule of force rather than the rule of law, the corruption that abounds, the poor state of public services, bad transportation system, poor and out of reach health services and the generally decaying infrastructure, it becomes clear why our institutions, which are skewed at benefitting only the elites, are extractive, and cannot produce inclusive economic growth and guarantee property rights to foster economic liberation of the people and create growth and development.

Ample evidence has been provided to show that Nigeria needs to invest quality leadership time in creating inclusive institutions.

² Acemoglu, Daron, and James A Robinson. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. 1st ed. New York: Crown (2012)

Nigeria requires inclusive political and economic transformation, if progress must be made to the benefit of all. The oppressive tendencies of the elites is built on the extractive mentality that dates back to the dark days of slavery and their consolidation in the wake of the trans-Atlantic slave trade. It is important that the elites are made to understand how that

The oppressive tendencies of the elites is built on the extractive mentality that dates back to the dark days of slavery and their consolidation in the wake of the trans-Atlantic slave trade.

class subconsciously keeps everybody, (unfortunately including themselves) down by the application of brute force to exploit and appropriate the national wealth, thus closing the political and economic space and narrowing the available opportunities for all. The Nigerian elite is not alone in this ignorance of cutting the nose to spite the face. It is common anywhere the institutions are extractive rather than inclusive. Pluralism, a system in which people of different social classes, religions, races etc., live in harmony but continue to maintain their different traditions and interests. However, this can only be cultivated in a society

where all classes are inclusive in the forward march to freedom, with no predatory class, plundering others. The need to save the elites from themselves and the overall benefit of Nigeria as a whole can best be understood from how England and Botswana, two very different countries with absolutely different historical background, achieved truly pluralistic societies by inclusion rather than the use of extractive tendencies.

In England, there were many restrictions on the economic activities people could engage in. Both the domestic and international economy were choked by monopolies. The state engaged in arbitrary taxation and manipulated the legal system. Most of the land was operating in archaic forms of property rights that made it impossible to sell

The need to save the elites from themselves and the overall benefit of Nigeria as a whole can best be understood from how England and Botswana, two very different countries with absolutely different historical background, achieved truly pluralistic societies by inclusion rather than the use of extractive tendencies.

and risky to invest in. All these changed after the Glorious Revolution. The Glorious Revolution limited the power of the king and the executive, and transferred to parliament, the power to determine economic institutions. At the same time, it opened up the political system to a broad cross section of society, who were able to exert considerable influence over the way the state functioned. The Glorious Revolution was the foundation for creating a pluralistic society, and it built on and accelerated a process of political centralisation. It created the world's first set of inclusive political institutions. The government adopted a set of economic institutions that provided incentives. As a consequence, economic institutions also started becoming more inclusive. England was, therefore, unique amongst nations

when it made the breakthrough to sustained economic growth in the 17th century. Major economic changes were preceded by a political revolution that brought a distinct set of economic and political institutions, much more inclusive than those of any previous society. These institutions would have profound implications not only for economic incentives and prosperity, but also for those who would reap the benefits of prosperity. They were not based on consensus but, rather, the result of intense conflict, as different groups competed for power, contesting the authority of others and attempting to structure institutions in their own favour. The institutional struggles of the 16th and 17th centuries culminated in two landmark events - the English Civil War between 1642 and 1651, and particularly the Glorious Revolution of 1688. The political and economic institutions had a very salutary effect on investment, trade and innovation. It steadfastly enforced property rights, (including patents) which provided a major stimulus to innovation. It protected law and order. Historically unprecedented was the application of English law to all citizens. Arbitrary taxation ceased, and monopolies were abolished almost immediately. The English state aggressively promoted mercantile activities and worked to promote domestic industries, lending the full power of the English navy to defend mercantile interests. By rationalising property rights, it facilitated the construction of infrastructure, particularly roads, canals, and later railways, which proved to be crucial for industrial growth.

These foundations decisively changed incentives for people and impelled the engines of prosperity to instigate the Industrial Revolution. First and foremost, the Industrial Revolution depended on major technological advances, exploiting the knowledge base that had been accumulated in Europe during the past centuries. It was a radical break from the past, made possible by scientific inquiry and the talents of a number of unique individuals. The full force of this revolution came from the market that created profitable opportunities for technologies to be developed and applied. It was the inclusive nature of the markets that made people to devote their talents to the right lines of business. It also relied on education and skills, as it was the relatively high levels of education, at least by the standards of the time that fueled entrepreneurship and the vision to employ new technologies for their businesses and workers with the skills to use them. It was not a coincidence therefore that the Industrial Revolution started in England, a few decades after the Glorious Revolution. Great inventors such as James Watt (who perfected the steam engine), Richard Trevithick (the builder of the first steam locomotive), Richard Arkwright (the inventor of the spinning frame), and Isambard Kingdom Brunel (the creator of several revolutionary steamships) were able to take up the economic opportunities generated by their ideas, confident that their property rights would be respected, and they would have profitable access to markets for their innovations and products. In 1775, just after he had the patent of his steam engine, which he called, "Fire engine", renewed, James Watt wrote to his father:

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"Dear Father, After a series of various and violent Oppositions, I have at last got an Act of Parliament vesting the property of my new Fire engines in me and my Assigns, throughout Great Britain & the plantations for twenty five years to come, which I hope will be very beneficial to me, as there is already considerable demand for them."³

The technological advances, the drive of businesses to expand and invest, and the efficient use of skills and talent were all made possible by the inclusive economic institutions that England developed. These in turn were founded on her inclusive political institutions. England developed these inclusive political institutions because of two factors. First were the political institutions, including a centralised state that enabled her to take the next radical and in fact, unprecedented step toward inclusive institutions with the onset of the Glorious Revolution. More important was the second factor. The events leading up to the Glorious Revolution forged a broad and powerful coalition which was able to place durable constraints on the power of the monarchy and the executive that were forced to be open to the demands of this coalition. Conflict over institutions and the distribution of resources has been pervasive throughout history. English history is also full of conflict between the monarchy and its subjects, between different factions fighting for power, and between elites and citizens. The outcome, though, has not always been to strengthen the power of those who held it. In 1215 the barons, the layer of the elite beneath the king, stood up to King John and made him sign the Magna Carta ("the Great Charter") at Runnymede. This document entrenched some basic principles that were significant challenges to the authority of the king. Most important, it established that the king had to consult with the barons before raising taxes.

The most contentious clause was number 61, which stated that, "the barons shall choose any 25 barons of the realm they wish, who with all their might are to observe, maintain and cause to be observed the peace and liberties which we have granted and confirmed to them by this our present charter." In essence, the barons created a council to make sure that the king implemented charter, and if he didn't, these 25 barons had the right to seize castles, lands, and possessions "...until, in their judgment, amends have been made". King John didn't like the Magna Carta, and as soon as the barons dispersed, he got the Pope to annul it. But both the political power of the barons and the influence of the Magna Carta remained. England had taken its first hesitant step towards pluralism. Conflict over political institutions continued, and the pow-

The government has not strengthened economic and legal institutions that can enforce property rights, to encourage the development of an inclusive market economy.

3 Acemoglu, Daron, and James A Robinson. 2012. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. 1st ed. New York: Crown.:—page 104

er of the monarchy was further constrained by the first elected parliament in 1265. Unlike the legislatures of today, its members originally were feudal nobles, and subsequently knights and the wealthiest aristocrats of the nation. Despite consisting of elites, the English Parliament developed two distinguishing characteristics. First, it represented not only elites closely allied to the king but also a broad set of interests, including minor aristocrats from different walks of life, such as commerce and upwardly mobile farmers. Thus the Parliament empowered quite a broad section of society, especially by the standards of the time. Second, and largely as a result of the first characteristic, many members of parliament were consistently opposed to the monarchy's attempts to increase its power. The triumph of Parliament over the king and subsequently Great Britain, as England and Scotland were united by the Act of Union in 1707 and was complete with its firm control of state policy.

This made a huge difference, because, the interests of Parliament were very different from those of the Stuart Kings. Since many of those in Parliament had important investments in trade and industry, they had a strong stake in the enforcement of property rights. The Stuarts had frequently infringed on property rights that were now to be upheld. Moreover, when the Stuarts controlled government expenditures, parliament opposed greater taxes and balked at strengthening the power of the state. Now that Parliament itself controlled spending, it was happy to raise taxes and spend the money on activities that it deemed valuable, particularly on the strengthening of the navy, to protect the overseas mercantile interests of members. Even more important than the interest of parliamentarians was the emerging pluralistic nature of political institutions. The English people now had access to Parliament, the policy and economic institutions made in Parliament, in a way they never had when policy was driven by the king. This was partially, of course because members of Parliament were elected. But since England was far from being a democracy during the period, this access provided only a modest amount of responsiveness. Among its many inequities was that less than 2% of the population could vote in the 18th century, and these had to be men. The cities where the Industrial Revolution took place, Birmingham, Leeds, Manchester, and Sheffield, had no independent representation in Parliament. Instead, rural areas were over-represented. Just as bad, was the right to vote or run for office. In the Borough of Buckingham, for instance, 13 burgesses had the exclusive right to vote. This laid the foundations for pluralistic political institutions, which then enabled the development of economic institutions that spurred the first Industrial Revolution. Prior to 17th century England, extractive institutions were the norm throughout history.

The guiding principle here is that, it is imperative to quickly develop inclusive economic and political institutions. This has eluded Nigeria since independence, as the elites have not permitted truly free and fair elections, and superintended over one civil war and several military interventions. The government has not strengthened economic and

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legal institutions that can enforce property rights, to encourage the development of an inclusive market economy. Economic freedom is essential in that it entrenches property rights and encourages economic development. This must therefore be given priority, as the Botswana story exemplifies.

The Botswana story is a very exciting one that was mentioned in the first chapter of this book, detailing the corner stones that underpinned their economic freedom and growth. On September 6th, 1895 the ocean liner *Tantallon Castle* docked at Plymouth on the Southern Coast of England. Three African chiefs, Khama of the Ngwato, Bathoen of the Ngwaketse, and Sebele of the Kwena, disembarked and took the 8:10am express train to Paddington Station, London. The three chiefs had come to Britain on a mission –to save their state and five others from Cecil Rhodes. The Ngwato, Ngwaketse and Kwena were three of the eight Tswana states comprising what was then known as Bechuanaland, which later became Botswana after independence in 1966. On September 11, 1895, they had their first meeting with Chamberlain. Sebele spoke first, then Bathoen, and finally Khama. Chamberlain declared that he would consider imposing British control to protect the tribes from Rhodes. The chiefs quickly embarked on a nationwide sensitisation to drum up support for their requests. They visited and spoke at Windsor and Reading, close to London; in Southampton on the South coast; and in Leicester and Birmingham in Chamberlain's political support base, the Midlands. They went North to industrial Yorkshire, to Bristol and then to Manchester and Liverpool. The three chiefs got what they wanted, negotiating that they should be independent of Britain and the warring influence of Rhodes, while offering Britain the concession to build a rail line through the Tswana states. This, they believed, would not only protect them against Rhodes, but subsequently from British indirect rule. By the 19th century, the Tswana states had developed a core set of political institutions. These, by sub-Saharan African standards involved both an unusual degree of political centralisation and collective decision-making procedures that can even be viewed as a nascent, primitive form of pluralism. Just as the Magna Carta enabled the participation of barons in the political decision-making process and put some restrictions on the actions of the English monarchs, the political institutions of the Tswana, in particular the Kgotla, also encouraged political participation and constrained chiefs. The South African anthropologist, Isaac Schapera, describes how the Kgotla worked as follows:

“All matters of tribal policy are dealt with finally before a general assembly of the adult males in the chief's Kgotla (council place). Such meetings are very frequently held... among the topics discussed ... are tribal disputes, quarrels between the chief and his relatives, the imposition of new levies, the undertaking of new public works, the promulgation of new decrees by the chief... It is not unknown for the tribal assembly to overrule the wishes of the chief. Since anyone may speak in these meetings, to enable him to ascertain the feelings of the people generally, and provide the latter with an opportunity of stating

their grievances. If the occasion calls for it, he and his advisers may be taken severely to task, for the people are seldom to speak openly and frankly”.

Beyond the kgotla, the Tswana chieftaincy was not strictly hereditary but open to any man demonstrating significant talent and ability. Anthropologist John Comaroff studied in detail the political history of another of the Tswana states, the Rolong. He stated that though in appearance the Tswana had clear rules stipulating how the chieftaincy was to be inherited, in practice these rules were interpreted to eliminate bad rulers and allow talented candidates become chiefs. He showed that winning the chieftaincy was a matter of achievement, but was then rationalised so that the successful competitor appeared to be the rightful heir. The Tswana captured this idea with a proverb – a ting of constitutional monarchy – *kgosi ke kgosi ka morafe*, meaning “the king is king by the grace of the people”. The Tswana chiefs continued in their attempts to maintain their independence from Britain and preserve their indigenous institutions after their trip to London. They conceded the construction of railways in Bechuanaland, but limited the intervention of the British in other aspects of economic and political life. They realised that railway, like the rest of the policies of the British, would not bring development to Bechuanaland, as long as it was under colonial control. The early experience of Quett Masire, President of independent Botswana from 1980 to 1998, explains why. Masire was an enterprising farmer in the 1950s; he developed new cultivation techniques for sorghum and found a potential customer in Vryburg Milling, a company located across the border in South Africa. He went to the railway station master at Lobatse in Bechuanaland and asked to rent two rail trucks to move his crop to Vryburg. The station master refused. Then he got a white friend to intervene. The station master reluctantly agreed but charged Masire four times the rate for whites. Masire gave up and concluded, “It was the practice of the whites not just the laws prohibiting Africans from owning freehold land or holding trading licences, that kept blacks from developing enterprises in Bechuanaland”.

All in all, the chiefs and the Tswana people, had been lucky. Perhaps against all odds, they succeeded in preventing Rhodes’ takeover. As Bechuanaland was still marginal for the establishment of indirect rule, they did not create the type of vicious circle that is the predicament of Nigeria today. They also avoided the kind of colonial expansion that went on in the interior of South Africa that would turn those lands into reservoirs of cheap labour for white miners or farmers. The early stages of the process of colonisation are a critical juncture for most societies – a crucial period during which events that will have important long-term consequences for their economic and political development transpired. Most so-

In Sierra Leone, Nigeria and many other sub-Saharan African nations, diamonds and oil, have only fuelled conflicts between different groups and helped to sustain civil wars, earning the label Blood Diamonds.

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cities in sub-Saharan Africa witnessed the establishment or intensification of extractive institutions during colonisation. The Tswana would instead avoid both intense indirect rule and the far worse fate that would have befallen them, had Rhodes succeeded in annexing their lands. This was not just blind luck. It was once again a result of the interplay between the existing institutions, shaped by the institutional drift of the Tswana people and the critical juncture brought about by colonialism. The three chiefs had made their own luck by taking the initiative and travelling to London, and they were able to do this because they had an unusual degree of authority, compared to other tribal leaders in sub-Saharan Africa, owing to the political centralisation the Tswana tribes had achieved and perhaps also by their unusual degree of legitimacy, due to the modicum of pluralism embedded in their tribal institutions.

Another critical juncture at the end of the colonial period would be more central to the success of Botswana, enabling it to develop inclusive institutions. By the time Bechuanaland became independent in 1966 (under the name Botswana), the lucky success of Chiefs Sebele, Bathoen and Khama was long in the past. In the intervening years, the British invested little in Bechuanaland. At independence, Botswana was one of the poorest countries in the world. It had a total of 12 kilometres of paved roads, 22 citizens who had graduated from the university and 100 from secondary school. Above all, it was almost completely surrounded by the white regimes of South Africa, Namibia and Rhodesia all of which were hostile to independent African countries run by blacks. It would have been on a few people's list of countries most likely to succeed. Yet, over the next 45 years, Botswana would become one of the fastest-growing countries in the world. Currently, as has been vividly shown in the peer analysis, Botswana has the highest per capita income in sub-Saharan Africa, and is at the same level as successful East Latin American nations as Costa Rica.

How did Botswana break the mould? She did so by quickly developing inclusive economic and political institutions after independence.

Things could have turned out very differently in Botswana especially if it hadn't been so fortunate to have leaders such as, Seretse Khama and Quett Masire, who decided to contest power in elections, rather than subvert the electoral system as Nigeria has painfully experienced since Independence.

Since then, it has been democratic, holds regular free and competitive elections, and has never experienced civil war or military intervention. The government set up economic institutions for enforcing property rights, ensuring macroeconomic stability and encouraging the development of an inclusive market economy. But of course, the more challenging question is, how did Botswana managed to establish a stable democracy, pluralistic institutions and chose inclusive economic institutions, while most other African countries did the opposite? It must be understood how a critical juncture – this time the end

of colonial rule – interacted with Botswana's existing institutions.

Botswana exhibited many parallels to England on the verge of the Glorious Revolution. England had achieved rapid political centralisation under the Tudors, had the Magna Carta and the tradition of Parliament that could at least aspire to constrain monarchs and ensure some degree of pluralism. Botswana also had some amount of state centralisation and relatively pluralistic tribal institutions that survived colonialism. England had a newly formed broad coalition consisting of Atlantic traders, industrialists and the commercially-minded gentry that was in favour of well-enforced property rights. All these of course is not denying the contingent path of history. Things would have turned out very differently in England if parliamentary leaders and the new monarch had attempted to use the Glorious Revolution to usurp power. Similarly, things could have turned out very differently in Botswana especially if it hadn't been so fortunate to have leaders such as, Seretse Khama and Quett Masire, who decided to contest power in elections, rather than subvert the electoral system as Nigeria has painfully experienced since independence. At independence, the Tswana emerged with a history of institutions of chiefs to the people. The Tswana were of course not unique in Africa for having institutions like this, but they were unique in the extent to which these institutions survived the colonial period unscathed. British rule had been all but absent. Bechuanaland was administered from Mafeking in South Africa, and it was only during the transition to independence in the 1960s that the plans for the capital of Gaborone were laid out. The capital and the new structures there were not meant to expunge the indigenous institutions but to build on them -- as Gaborone was constructed, new kgotlas were planned along with it. Independence was also a relatively orderly affair.

The drive for independence was led by the Botswana Democratic Party (BDP), founded in 1960, by Quett Masire and Seretse Khama, the grandson of King Khama III; his name, Seretse, means the clay that binds together. It was an extraordinarily apt name. Khama was the hereditary chief of the Ngwato, and most of the Tswana chiefs and elites joined the Botswana Democratic Party. Botswana did not have a marketing board, because the British had been so uninterested in the colony. The BDP quickly set one up in 1967 –the Botswana Meat Commission. However, instead of expropriating the ranchers and cattle owners, the Meat Commission played a central role in developing the cattle economy; put up fences to control foot-and-mouth disease and promoted exports, which would both contribute to economic development and increase the support for inclusive economic institutions. Though the early economy in Botswana relied on meat exports, things changed dramatically when diamond was discovered. The management of natural resources in Botswana also differed markedly from that in other African nations. During the colonial period, the Tswana chiefs had attempted to stop any prospecting for minerals in Bechuanaland, because they knew that if Europeans discovered precious metals or

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stones, their autonomy would be over. The first big diamond discovery was in Ngwato land, Seretse Khama's traditional homeland. Before the discovery was announced, Kha-

Since independence, the census in Botswana has never asked about ethnic heterogeneity, because in Botswana everyone is Tswana

ma instigated a change in the law so that all sub-oil mineral rights were vested in the nation, not the tribe. This ensured that diamond wealth would not create great inequities in Botswana. It also gave further impetus to the process of state centralisation, as diamond revenues could now be used for building a state bureaucracy, infrastructure and education. In Sierra Leone, Nigeria and many other sub-Saharan African nations, diamonds and oil, have only fuelled conflicts between different groups and helped to sustain civil wars, earning the label Blood Diamonds for the carnage brought about by the

wars fought over their control. In Botswana, diamond revenues were managed for the good of the nation.

The change in subsoil mineral rights was not the only policy of state building that Seretse Khama's government implemented. Another facet of political centralisation was the effort to unify the country further, for example with legislation, ensuring that only Setswana and English were to be taught in schools. Today, Botswana looks like a homogenous country without the ethnic and linguistic fragmentation associated with many other African nations. This is an outcome of the policy of having only the English language and a single national language, Setswana was taught in schools to minimise conflict between different tribes and groups within the society. The last census conducted to ask questions about ethnicity was the one taken in 1946, which revealed considerable heterogeneity in Botswana. Since Independence, the census in Botswana has never asked

Nigeria must develop inclusive economic and political institutions, enforce property rights, encourage the development of an inclusive market economy that unites South and North, rural and urban communities

about ethnic heterogeneity, because in Botswana everyone is Tswana. Seretse Khama, Quett Masire, and the Botswana Democratic Party led Botswana onto a path of inclusive economic and political institutions. When diamond came on stream in the 1970s, it did not lead to civil war, but provided a strong fiscal base for the government, which used the revenues to invest in public services. There was much less incentive to arouse any challenge or overthrow of the government and the control of the state. Inclusive political institutions bred political stability and supported inclusive economic institutions. Inclusive economic institutions increase the viability and durability of inclusive political institutions.

Botswana broke the mould because it was able to seize a critical juncture --post-colonial independence --and set up inclusive institutions. The Botswana Democratic Party and

the traditional elites, including Khama, did not try to form a dictatorial regime or set up extractive institutions that might have enriched them at the expense of society. This was once again an outcome of the interplay between a critical juncture and existing institutions. As we have seen, differently from almost anywhere else in sub-Saharan Africa, Botswana already had tribal institutions that had achieved some amount of centralised authority and contained important pluralistic features. Moreover, the country had economic elites who had much to gain from secured property rights. No less important is that, the contingent path of history worked in Botswana's favour. It was particularly lucky because Seretse Khama and Quett Masire were not Mobutu Sese Seko, Siaka Stevens and Robert Mugabe. The former worked hard and honestly to build inclusive institutions on the foundations of the Tswanas' tribal institutions. All these made it more likely for Botswana to succeed in taking a path towards inclusive institutions, whereas much of the rest of sub-Saharan Africa who did not even try, failed outright.

Botswana broke the mould because it was able to seize a critical juncture – post-colonial independence – and set up inclusive institutions ... they did not try to form a dictatorial regime or set up extractive institutions that might have enriched them at the expense of society.

How can Nigeria tag along? Of course, there is no free lunch, just as there is no gain without pain. It is not possible to do things in a retrogressive way and be successful. Success has to be earned by hard work and creative thought. It cannot be over emphasised that Nigeria must develop inclusive economic and political institutions, enforce property rights, encourage the development of an inclusive market economy that unites South and North, rural and urban communities and ensures that no one is left behind whilst enthroning the rule of law. Something has to be done to rebuild and renew the infrastructure and improve education and skill training, without which inclusiveness will continue to be a mirage. None of this will ever be possible if the system does not checkmate the greed of the elites.

Too clever by half

One is tempted to logically extrapolate from the above, that the solutions to the problems of Nigeria seem very simple. It is posited that total liberation will come from efforts in three main areas: getting a handle on corruption, the mother of all afflicting the nation; finding a solution to the bad structure and concomitantly reduce the cost of governance; and addressing the all-pervasive and recurring leadership question. Corruption is the biggest challenge that the Nigerian nation faces. It supports the extractive tendencies of the elites and makes it impossible for pluralistic and inclusive institutions that will unshackle the masses of the Nigeria people to be created, take root and flourish. These institutions are imperative to unleash the political and economic potentials that will truly

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make Nigeria great. The country has wobbled, fumbled and stumbled in the absence of strong institutions and the weakness of its rule of law coupled with lack of government's

The problems of Nigeria seem very simple. It is posited that total liberation will come from: getting a handle on corruption; finding a solution to the bad structure and concomitantly reduce the cost of governance; and addressing the all-pervasive and recurring leadership question.

provision of infrastructure, education and strong property rights for the tacit encouragement of the masses to make the best use of their talents and skills in freely making the choices they wish in a thriving economy. Elite corruption is responsible for the government spending 76.3% as recurrent expenditure, leaving little or nothing for economic development, including renewal and expansion of infrastructure. It is responsible for 0.013% of the population, taking 25.58% of the budget. It is what encourages inflated contracts, abandoned projects and all sorts of illicit economic ways to short-change the government and the people. The weakness of the rule of law and the abounding communal conflicts are orchestrated by the rich and powerful, in a deliberate effort to create confusion and a survival-of-the-fittest environment, to gain political and

economic advantage. Elspeth Huxley travelled across the British West African colonies of Gambia, Sierra Leone, Gold Coast (now Ghana) and Nigeria in 1952 -1954 and documented her experience in a book titled, *Four Guineas*. She recounted her very interesting experience of corruption in Nigeria:

⁶⁶The main threat to co-operation in Africa lies, as always, in the moral standards of the members. Most Africans trust no one and, even more than Europeans, look on public funds merely as hives from which every sensible man should extract honey. Co-operatives

The weakness of the rule of law and the abounding communal conflicts are orchestrated by the rich and powerful, in a deliberate effort to create confusion and a survival-of-the-fittest environment, to gain political and economic advantage.

offer great opportunities to the sweet-toothed, and every one of the officials had to be dismissed for speculation within the first two years. Continual scrutiny is needed. This can be managed, when the men at the top are disinterested; but what will happen when they are not? I was given this instance of the difficulties met with in getting co-operation established. A well-trained African official secured from each local branch, a payment for some promised improvement – here £10 for a weighing machine, there £70 for a shed. Time passed, but no improvements came, nor did the swindled societies – and this is a peculiarly African feature – lodge any complaints. A senior British official investigated, and at last collected enough evidence for a

prosecution. An African police officer delayed execution of the warrant for long enough to enable the accused man to square the principal witnesses, all of whom recanted their

evidence, and so the case fell to the ground. For this reason, the various enquiries made from time to time into allegations of bribery and corruption are almost useless; the fangs of all potential witnesses are drawn by a combination of intimidation and bribery. The offender was subsequently dismissed, but with the right to draw one-third of his full pension from a grateful Government for the rest of his life." Optimists say "they will learn", and point out how very recent the notion of incorrupt officialdom in Europe is, and how precarious its tenure is. From this they argue that in a very short space of time, Africans, also, will create a tradition of disinterested honesty and high resistance to bribes. This may be so; everyone hopes it will. It may also be that Africans themselves have no great wish to create this sort of tradition. It is not their idea; it is wholly alien, and may seem to them not only stupid, but disloyal. It is irritating to be swindled by a relative, but not a matter for the police. Perhaps he needed the money; perhaps he can be made to give it back; and if outsiders are brought into it, who knows what gods and spirits may be angered – or what vengeance exacted? A man who robs no relative, but only an unfeeling, impersonal fund, a rich abstraction like government or company, commits no offence against gods or men; he seems to most merely a sensible and lucky fellow"⁴.

Even before independence, majority of the Nigerian elites – whether civil servants, law makers or contractors – have always been self-serving, corrupt and unwilling to properly discharge entrusted responsibilities. Only a handful fall outside this category. From all that was recanted by Elspeth, regarding corruption in the colonial pre-independence era, it seems that looting the treasury was considered very normal, as civil servants tended to look on public funds merely as hives from which every sensible man should extract honey. It all seemed to be rationalised (just as it is today) in an implied manner, that it is smart to steal from government. Government has always been considered an inanimate and distant entity whilst the treasury is not looked upon as national wealth but as a detached coffer to be pillaged as much as possible, depending on available opportunities, levels of access and the cleverness of the perpetrator. Those, who are able to steal from government, feel justified being that they do not rob their relatives, but only an unfeeling, impersonal fund, a rich abstraction like Government or Company and as such have not committed any offence against anyone that is punishable by the gods or men and he is only considered lucky and clever. How many treasury looters are punished today? Very few! Back home in their communities, they are given a badge of honour and crowned with chieftaincy titles as a confirmation that they have been, seen and conquered an institution that has no relationship with them. How can this attitude, which is championed by the elites who also indirectly weaken the justice system, ever change? According to Elspeth, continued scrutiny is required but such scrutiny can only be effective if "the man at the top" is disinterested. This points at the leadership that is willing to reward what should

4 Elspeth Huxley: *Four Guineas* (1952)

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be punished. It seems therefore that to leave the correction that is required to the elites will not solve the endemic problem.

Nothing seems to have changed in over 60 years since Elspeth toured British West Africa and wrote the *Four Guineas*. Corruption and abuse of power seem to have taken a longer time to take root as they can be traced to slavery which created a reversed development in sub-Saharan Africa by generating unnecessary conflicts and therefrom a weird institution. Slavery was anything but peculiar, it was present in almost every society. It was endemic in Ancient Rome and in Africa, long a source of slaves for Europe, though not the only one. In Roman period, slaves came from Slavic peoples around the Black Sea, from the Middle East, and also from Northern Europe. But by 1400, Europeans had stopped enslaving each other. Africa, however, did not undergo the transition from slavery to serfdom as did medieval Europe. Before the early modern period, there was a vibrant slave trade in East Africa, and large numbers of slaves were transported across the Sahara to the Arabian Peninsula. Moreover, the large medieval West African states of Mali, Ghana, and Songhai made heavy use of slaves in the government, army and agriculture, adopting organisational models from the Muslim North African states with whom they traded. It was the development of the sugar plantation colonies of the Caribbean, beginning in the early 17th century that led to a dramatic escalation of the international slave trade and to an unprecedented increase in the importance of slavery within Africa. In the 16th century, probably about 300,000 slaves were traded in the Atlantic. They came mostly from Central Africa, with heavy involvement of Kongo and the Portuguese based farther south in Luanda, now the capital of Angola.

During this time, the trans-Saharan slave trade was still larger, with probably about 550,000 Africans moving north as slaves. In the 17th century, the situation reversed. About 1,350,000 African were sold as slaves in the Atlantic trade, the majority now being shipped to the Americas. The numbers involved in the Saharan trade were relatively unchanged. The 18th century saw another dramatic increase, with about 6,000,000 slaves, being shipped across the Atlantic and maybe 700,000 across the Sahara. Adding the figures up over the periods from parts of Africa, well over 10,000,000 Africans were shipped out of the continent as slaves. Warfare and conflict were encouraged as they produced slaves to support the trade. This warfare not only caused major loss of lives and human suffering, but also put in motion a particular path of institutional development in Africa. Before the early modern era, African societies were less centralised politically than those of Eurasia. Politics was at a small scale, with tribal chiefs and perhaps kings controlling land and resources. Many had no structure of hierarchical political authority at all. The slave trade initiated two adverse political processes. First, many polities initially became more absolutist, organised around a single objective: to enslave and sell others to European slavers. Second, as a consequence but, paradoxically, in opposition to the first process, warring

and slaving ultimately destroyed whatever order and legitimate state authority existed in sub-Saharan Africa. Apart from warfare, slaves were also kidnapped and captured by small-scale raiding. The law also became a tool of enslavement. No matter what crime one committed, the penalty was slavery. The English merchant, Francis Moore, observed the consequences of this, along the Senegambia coast of West Africa in the 1730s: "Since this slave trade has been used, all punishments are charged into slavery; there being an advantage on such condemnations, they strain for crimes very hard, in order to get the benefit of selling the criminal. Not only murder, theft and adultery, are punished by selling the criminal for slave, but every trifling case is punished in the same manner".

The destruction of the rule of law and the need to use the law in a fair and balanced manner was sacrificed on the altar of the income that slavery enabled. Institutions, even religious ones, became perverted by the desire to capture and sell slaves. One example is the famous oracle at Arochukwu, in eastern Nigeria. The Oracle was widely believed to speak for a prominent deity in the region respected by the major local ethnic groups, the Ijaw, the Ibibio, and the Igbo. The Oracle was approached to settle disputes and adjudicate on disagreements. Plaintiffs, who travelled to Arochukwu to face the oracle, had to descend from the town into a gorge of Cross River, where the oracle was housed in a tall cave, the front of which was lined with human skulls. The priests of the oracle, in league with the Aro slavers and merchants, would dispense the decision of the Oracle. Often, this involved people being "swallowed" by the Oracle, which actually meant that once they had passed through the cave, they were led away down Cross River to the waiting ships of the Europeans. This created a corrupt, perverted process and rule of law by man and the gods, in which all laws and customs were distorted and broken to capture more slaves. This had devastating effects on political centralisation, though in some places it did lead to the rise of powerful states, whose main *raison d'être* was raiding and slaving.

The kingdom of Kongo itself was probably the first African state to experience a metamorphosis into a slaving state, until it was destroyed by civil war. Other slaving states arose, most prominently in West Africa, including Oyo in Nigeria, Dahomey in Benin, and subsequently Asante in Ghana. The expansion of the state of Oyo in the middle of the 17th century, for example, is directly related to the increase of slave export on the coast. The state's power was the result of the military revolution that involved the import of horses from the North and the formation of a powerful cavalry that could decimate opposing armies. As Oyo expanded southward towards the coast, it crushed the intervening polities and sold many of their inhabitants as slaves. In the period between 1690 and 1740, Oyo established its monopoly in the interior of what came to be known as the Slave Coast. It is estimated that 80-90% of the slaves sold on the coast were the results of this conquests. A similar dramatic connection between warfare and slave supply came farther west in the 18th century, on the Gold Coast, the area that is now Ghana. After

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1700, the state of Asante expanded from the interior, in much the same way as Oyo had previously. During the first half of the 18th century, the expansion triggered the so-called Akan Wars, as Asante defeated one independent state after another. The last, Gyaman, was conquered in 1747. The majority of the 375,000 slaves exported from the Gold Coast between 1700 and 1750 were captives taken in these wars. Probably, the most obvious impact of this massive extraction of human beings was its demographic effects. It is difficult to know with any certitude, what the population of Africa was before the modern period, but scholars have made various plausible estimates of the impact of the slave trade on the population. In Nigeria at least, the demographic question in terms of the census is still a challenge to date.

Beginning in the late 18th century, a strong movement to abolish slavery began to gain momentum in Britain, led by the charismatic figure of William Wilberforce. After repeated failures, in 1807, the abolitionists persuaded the British parliament to pass a bill making the slave trade illegal. The United States followed with a similar measure the following year. The British government went further; it actively sought to implement this measure by stationing naval squadrons in the Atlantic to try to stamp out the trade. Though it took some time for these measures to be truly effective, and it was not until 1834 that slavery itself was abolished in the British Empire – the days of the Atlantic slave trade, by far the largest part of the trade, were numbered. Though the end of the slave trade, after 1807, did reduce the external demand for slaves from Africa, this did not mean that slavery's impact on African societies and institutions would magically melt away. Many African states had become organised around slavery, and the British putting an end to the trade did not change this reality. Moreover, slavery had become much more prevalent within Africa itself. These factors would ultimately shape the path of development in Africa not only before, but also after 1807, as to how the economies of these areas would develop by building on the corruption and the oppression of the masses by the high, the mighty and the powerful.

In place of slavery came "legitimate commerce", a phrase coined for the export of new commodities from Africa, not tied to the slave trade. These goods included palm oil and kernels, peanuts, ivory, rubber and gum. As European and North American economies expanded with the spread of the Industrial Revolution, demand for many of these tropical products rose sharply. Just as "the powerful" in African societies took aggressive advantage of the economic opportunities presented by the slave trade, they did the same with legitimate commerce. But they did so in a peculiar context, one in which slavery was a way of life though the external demand for slaves had suddenly dried up. What were all these slaves to do now that they could not be sold to Europeans? The answer was simple: they could be profitably put to work under coercion, in Africa, producing the new items of legitimate commerce. One of the best documented was in Asante in modern Ghana.

Prior to 1807, the Asante Empire had been heavily involved in the capturing and export of slaves, bringing them down to the coast to be sold at the great slaving castles of Cape Coast and Elmina. After 1807, with this option closed off, the Asante political elite re-organised their economy. However, slaving and slavery did not end. Rather, slaves were settled on large plantations, initially around the capital city of Kumasi, but later spread throughout the empire (corresponding to most of the interior of Ghana). They were employed in the production of gold and kola nuts for export, but also grew large quantities of food and were intensively used as porters, since Asante did not use wheeled transportation. Farther East, similar adaptations took place. In Dahomey, for example the king had large palm oil plantations near the coastal ports of Whydah and Porto Novo, all based on slave labour.

So, the abolition of the slave trade, rather than make slavery in Africa wither away, simply led to a redeployment of the slaves who were now used within Africa, rather than in the Americas. Moreover, many of the political institutions the slave trade had wrought in the previous two centuries, were unaltered and patterns of behaviour persisted. For example, in Nigeria, in the 1820s and 1830s, the once great Oyo kingdom collapsed. It was undermined by civil wars and the rise of the Yoruba city-states, such as Ilorin and Ibadan that were directly involved in the slave trade to its South. In the 1830s, the capital of Oyo was sacked and after that the Yoruba cities contested power with Dahomey for regional dominance. They fought an almost continuous series of wars in the first half of the century which generated a massive supply of slaves. Along with this, went the normal rounds of kidnapping and condemnation by oracles and smaller-scale raiding. Kidnapping was such a problem in some parts of Nigeria that parents would not let their children play outside for fear that they would be taken and sold into slavery. As a result, slavery rather than contracting appeared to have expanded in Africa, throughout the 19th century. Though accurate figures were hard to come by, a number of existing accounts written by travellers and merchants during this time suggested that in the West African kingdoms of Asante and Dahomey and in the Yoruba city-states, well over half of the population were slaves. More accurate data exist from early French colonial records for the western Sudan—a large swath of western Africa, stretching from Senegal, via Mali and Burkina Faso, to Niger and Chad. In this region, 30% of the population was enslaved in 1900. Just as with the emergence of legitimate commerce, the advent of formal colonisation after the scramble for Africa failed to destroy slavery in Africa. Though much of European penetration into Africa was justified on the grounds that slavery had to be combated and abolished, the reality was different. In most parts of colonial Africa, slavery continued well into the 20th century, though in another oppressive form that served the political elites by the imposition of a dual economy.

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The "dual economy" paradigm originally proposed in 1955 by Sir Arthur Lewis still shapes the way most social scientists think about the economic problems of less developed countries⁵. According to Lewis, many less developed or underdeveloped economies have a dual structure and are divided into a modern sector and a traditional sector. The modern sector, which corresponds to the more developed part of the economy, is associated with urban life, modern industry and the use of advanced technologies. The traditional sector is associated with rural life agriculture, and "backward" institutions and technologies. Backward agriculture institutions include the communal ownership of land, which implies the absence of private property rights on land. Labour was used so inefficiently in the traditional sector, according to Lewis that it could be reallocated to the modern sector, without reducing the amount the rural sector could produce. For generation of development economists, building on Lewis' insights, the "problem of development" has come to mean moving people and resources out of the traditional sector, agriculture and the countryside into the modern sector, industry and cities. In 1979 Lewis received the Noble Prize for his work on economic development. This was best exemplified in colonial South Africa.

Nigeria has ended up serving the elite few, who have no concern about how to organise the system to create wealth to the benefit of all.

To the East, in Natal, there were private property rights, functioning legal system markets, commercial agriculture and industry. To the West, the Transkei had communal property in land and all powerful traditional chiefs. One could argue that historically, all of Africa was like the Transkei, poor with pre-modern economic institutions, backward technology and rule by chiefs. According to this perspective, economic development should simply be about ensuring that the Transkei eventually turns into Natal. This perspective has much truth to it but misses the entire logic of how the dual economy works. The backwardness of the Transkei is a historic remnant of the natural backwardness of Africa. The white elites, in order to produce a reservoir of cheap labour for their businesses, deliberately reduce cost and enhanced their profits. As colonialism took root and ultimately gave way to independence, private property in land weakened the chiefs and enabled new men to buy land and make their wealth, something that was unthinkable just decades earlier. This also illustrates how quickly the weakening of extractive institutions and absolutist control systems can lead to newfound economic dynamism. This new economic dynamism not surprisingly, did not please the traditional chiefs, who in a pattern that is by now familiar, saw this as eroding their wealth and power.

In 1879, Matthew Blyth, the Chief Magistrate of the Transkei, observed that there was

5 Lewis (Sir) William Arthur. (1955). *The Theory of Economic Growth*. London: Allen and Unwin.

opposition to surveying the land so that it could be divided into private property. Even a modicum of inclusive institutions and the erosion of the powers of the chiefs and their restrictions were sufficient to start a vigorous African economic boom. But this would be short lived as the new economic masters (represented by the colonialists and their elite agents) wanted a cheap labour force to be employed in the burgeoning economy, and they ensured this cheap supply only by impoverishing the masses – a weapon that the post-independence leaders have employed methodically these past decades. The dual economy, as an extension of slavery, corruption and the perversion of the rule of law, was not natural or inevitable. It was created by European colonialism and inherited by the local masters that took over from them. It created extractive institutions and the mentality that pauperised the masses and induced technological backwardness, leaving the people uneducated. But all this was an outcome of government policy, which had forcibly stamped out African economic growth and created the reservoir of cheap, uneducated labour to be employed in the service of the elite class. It was not only the economic incentives that were destroyed, the entire oppressive system had bred corruption which made it absolutely impossible to create an enduring inclusive pluralism, both politically and economically. Nigeria has ended up serving the elite few, who have no concern about how to organise the system to create wealth to the benefit of all. Instead, the elites were concerned with how to share the wealth, amongst themselves through the quest for legitimate resource control and revenue sharing, or by looting the treasury by whatever means possible.

A big fish in a small pond

The most heart-rending debate about the Nigerian nation-state is the quarrelling, fusing, and grandstanding that the issue of revenue sharing has generated. The debate is all the more depressing, as it completely diverts attention away from baking the national cake and growing the national wealth. The debate is all about who gets his or her hands on a greater share of the rent-income, not for the development of the people but to satisfy the greed of the elites whose grips are on the government at that particular time. We have already seen that the Nigerian elites, having been conditioned by historical slavery and the colonial mentality, perceives government to be a distant inanimate institution that has nothing to do with him or her and as such stealing from this inert entity is just being smart. The truism can be seen in the treasury looting at all levels of government. Worse still, Nigeria is the only country in the world where the monthly revenue allocation has been raised to the level of an art. It is a big pay day and it is the only day that matters in the lunar calendar. It is the greatest evidence of the Yoruba adage of “Ise kekere owo n la”. What a sweet rent which no one has worked hard to earn! Those concerned, just go to bed until pay day. They wake up, walk in and receive

Nigeria is the only country in the world where the monthly revenue allocation has been raised to the level of an art. It is a big pay day and it is the only day that matters in the lunar calendar.

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their allocation, share and spend it and go back to bed, forgetting that the oil will run out some day. But who cares about tomorrow when today is being well taken care of by the black gold. There is the story of some local government councils who only open their offices to receive and share their allocation and close when that is done, all in not more than three days. This short period of time is all that it takes to get the money from Abuja into their personal pockets and bank accounts. The country slumbers while its oil producing peers in the Middle East are investing their income in preparation for tomorrow, which they know does not belong to them but to the generation of their children and grandchildren. And yet, after gluttonously and corruptly eating the manna from heaven, people expect alien friends from outer universe to fix their roads and hospitals, educate their children and do all the things that they so shamelessly fail or neglect to do.

Nevertheless, revenue-sharing is a necessary thing in a federal structure. When revenues are raised and/or collected by a central government in a federal structure, the question arises as to how these revenues should be apportioned between national and sub-national governments. In a federal arrangement, if revenue raising powers correspond with the expenditures for which each jurisdiction (central, regional and local) is responsible, there would be little need to consider or put into effect

The country slumbers while its oil producing peers in the Middle East are investing their income in preparation for tomorrow, which they know does not belong to them but to the generation of their children and grandchildren.

transfers among the different levels of government. In most federal systems, however, such correspondence hardly occurs. Thus, in order to enable sub-national governments to carry out their activities and reduce fiscal gaps, mechanisms need to be introduced to transfer funding among the levels of government. The basis of such transfers or revenue re-distribution will ideally, take into account a number of different factors, none of which is simple and require political decisions to resolve the often conflicting elements. The under-listed variables, which are not exhaustive, might form the areas of focus when considering establishing or restructuring a revenue distribution policy.

a) The resources from which the revenues are derived

The resources generating revenue for government may be natural resources (oil, minerals, etc.), cultivated resources (e.g. agricultural products), human resources (populous areas of huge employment, yielding high income from taxes) and so on.

b) The revenue raising powers of different levels of government

Imposition of certain taxes may be the prerogative of national government (e.g. corporate income taxes) while others may be levied by sub-national governments

(e.g. PAYE). In some cases, taxes may be levied by both national and sub-national government, on some agreed basis (WHT, VAT).

- c) **The expenditures for which different levels of government are responsible**
The expenditures for which national and local governments are responsible differ from country to country.
- d) **How to achieve balance between regions where revenues and expenditures are mis-matched**
Having determined the taxes which are to be levied at each government level, and which expenditures should be the responsibility of the different levels of government, it is likely that income and expenditure will not match evenly across the federating entities. This in turn will require some political consideration of how "poorer" areas are to be financed, and to what extent, either from surpluses generated at the federal or regional level.
- e) **Whether revenues are shared tax by tax, or in total across all taxes**
This refers to the need to consider whether government revenues are re-distributed tax by tax, so that the allocation of income from, say, Personal Income Tax is made on the basis of population; whereas the allocation of income from other taxes is made according to, say economic activity.
- f) **Agreement on ownership of the resources**
The decision on whether the resources are "national" assets or "regional/local" is a crucial political matter. The question of whether a mineral resource belongs to the nation (a "national asset") or to the area in which it is located (a "regional/local" asset) is for each country to decide. In the case of a national asset, the revenues from taxes levied by the federal state would form part of national income, to be re-distributed in line with the decisions taken over the transfer of funds between or among levels of government; this might take into account the costs and general impact of the exploitation of the mineral. In the case of a regional/local asset, the region/area, where the mineral was found would obtain a share of the revenue because, the mineral was derived from that particular area.
Both of these elements might be part of the decision on re-distribution.
- g) **Change in the basis of allocation**
From time to time, the basis of allocation of resources among the elements of a federal state may be reviewed. This might be occasioned by change in economic circumstances for example, discovery of new resources or new technologies; or perhaps because of a shift in political thinking. Ideally, the new mechanism would

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distinguish between the correction of any historical imbalances and the establishment of an agreed mechanism for the future based on factors affecting the future. The resulting re-distribution agreement would be an amalgamation of these elements.

The above is important in establishing the framework within which decisions on revenue allocation in a federal state are made, which in turn sets out the parameters that formed the discussions, review and conclusions reached in this study. Revenue sharing and allocation between the federal and other tiers of government have become the most contentious issues in Nigeria's fiscal federalism. It has been a major issue in the Nigerian political system, even from the pre-independence era. Between 1946 and 1960, four fiscal review commissions were appointed to recommend a satisfactory revenue allocation formula for the country. The principle of derivation is generally explained as a percentage derived from the national revenue to be exclusively allocated to the producing states of the country. Since oil represents the biggest revenue of the country, then derivation is applied to oil-producing states. The principle implies that the state(s) from which the bulk of the revenue is derived is entitled to get an extra share beyond what every other state receives.

The Richards Constitution of 1946 introduced the concepts of devolution and derivation, which allocated part of the revenues to those areas which had produced them. Similarly, the Phillipson Commission regarded it as a way of making regions with natural resources benefit from its non-declared revenue, according to its contribution to the central revenue pot. The principle of derivation became the major basis of revenue allocation between 1954 and 1957 due to the dominance of Nigerian's export market by the three main ethnic groups, especially with cocoa from the Western region. The Raisman and Tress Commission in 1957 argued for a reduction of the fiscal gap or imbalance between the Western region and the other regions. Thus, the committee narrowed the scope of the application of derivation, by setting up the Distributive Pool Account (DPA) for other taxes not declared regional or federal. These were made up of mining royalties (30%) and general import revenue (30%) that are to be allocated to the regional governments. From the period of oil discovery in 1958, the percentage derivation due to mineral producing states began to decline. The recommendations made by the Binns commission of 1964 rejected the principle as part of the revenue allocation formula. When the military took over power in 1966, it set up an interim committee (Dina committee) that again recommended the derivation principle due to its relevance. The committee argued that the rent from the onshore oil exploration be fully given to the state from which the extraction was made, while 10% of the royalties be shared on derivation. However, the military government rejected the committee's recommendations and then enacted Decree 13 of 1970, which adopted a revenue allocation formula on the basis of 50% on equality of states and 50% on population, retaining derivation only on onshore exploration. This favoured the non-oil produc-

ing states (majority) than the producing minority. By this time, oil contributed about 70% of the total revenue accruing to the federation's account. The DPA was further increased by Decree No. 6 of 1975 to 80% thereby leaving the states producing oil with only 20% of the revenue. The 1979 Constitution that conferred the federal government with rights over both onshore and offshore minerals enabled the drastic reduction of the derivation allocation to a paltry 5%, by the Shehu Shagari government. This was further reduced to 3% by the military government of Ibrahim Babangida.

Following the escalation of communal crises in the Niger Delta, particularly the Ogoni crises and the Kaiama declaration, the constitutional conference in 1995 recommended further increase in the derivation factor from 3% - 13%. This was adopted and included in the 1999 Constitution.

The principles on which the various commissions and committees that have studied the issue over the years based their recommendations for revenue allocation proposals, may be summarised as follows:-

Derivation: Allocation of revenue to the areas which generate it.

Even progress: Balance after meeting central government's budgetary need allocated to regions.

Fiscal autonomy: Bulk of revenues from import duties and excise to the regions on the basis of consumption and derivation.

Needs: Revenue allocated on the basis of perceived needs

National interest: Proportion of specified duties and taxes allocated to regions on the basis of derivation, special grant-capitalisation, education and police.

Balanced development: Allocation of revenue to promote development across the country.

The principle of derivation, which is a thread that runs across the Nigerian revenue sharing arrangement over the years, in one form or the other, requires that a certain percentage of all revenues, accruing to a particular state, irrespective of the fiscal jurisdiction involved or machinery for the collection, should be calculated and returned to these states. The 1999 constitution of Nigeria provided for not less than 13%. Unfortunately, the principle of derivation became de-emphasised and negated in the revenue sharing formula, at a time when the oil producing states, which have suffered deprivation

in the past, were to have the opportunity to enjoy special advantages accruing from oil from their land, and this led to the unending thirst and demand for “resource control” by the oil producing states. Therefore, the application of the derivation principle and resource control became the contending “issues in Nigerian fiscal federalism” debate.

It is no wonder that the 2014 National Conference found a consensus in all areas except the revenue sharing quagmire—the one they in fact chose to tackle last. Of course, in a rentier economy, where people believe that there can be free lunch provided by the oil manna, which rains down in an environment of money without work, agreement is easier to obtain on every other issue except on how to share the cake, which no one is willing to bake!

Whatever form it takes, revenue sharing and allocation between the federal and other tiers of government have become the most contentious issues in Nigeria's fiscal federalism. Revenue allocation has been a major issue in the Nigerian political system even from the pre-independence era. Between 1946 and 1960, four fiscal review commissions were appointed to recommend a satisfactory revenue allocation formula for the country. It is no wonder that the 2014 National Conference found a consensus in all areas except the revenue sharing quagmire—the one they in fact chose to tackle last. Of course, in a rentier economy, where people believe that there can be free lunch provided by the oil manna, which rains down in an environment of money without work, agreement is easier to obtain on every other issue except on how to share the cake, which no one is willing to bake! What a shame!

The principle of derivation is the most common concept advocated and generally applied in the history of revenue allocation in the Nigerian federation but equally, perhaps no principle has evoked more rivalry and bitterness than it, especially during the period, from the creation of regions up to 1951 and between 1954 and 1959. The principle of derivation was first applied under the colonial empire with the production of cocoa, and was then applied to oil, right after the discoveries made in 1958 and the subsequent years.

The idea of derivation is challenging, as no clear definition of the principle exists. It is generally explained as a percentage derived from the national revenue to be exclusively allocated to the producing states of the country. Since oil represents the biggest revenue of the country, then derivation is allocated to oil-producing states. “Therefore, the principle implies that the state from which the bulk of the revenue is derived is entitled to get an extra share beyond what every other state receives.” This system exists in parallel with the classic revenue sharing defined as “the distribution of a portion of federal tax revenues to states and local governments. Its main attraction is that it ensures that a state of origin of any particular revenue would receive more than any other state from the revenue accruing

from its geographical boundary or area of jurisdiction”⁶. This report assesses the issues of this double system in the light of the definition of redistribution – which is, to “distribute something differently, or again, typically for achieving greater social equality”⁷ – and of allocation of resources which implies the “analysis of how scarce resources – ‘factors of production’ – are distributed among producers”⁸.

Nigeria ‘operates’ fiscal federalism and is therefore often compared to the American, Canadian and Australian Systems⁹. Yet, federal states are not all the same, and the three countries mentioned above are peculiar, since their federalism emanates from a union of independent states, pre-existing to the federation. In case of Nigeria, federalism came from the unitary state.¹⁰ Consequentially, the history of federalism and tax system between Nigeria and other countries will differ¹¹. In federal systems, the level of entity is generally of three: the federal, states or provincial and local governments.

The tax repartition is set up constitutionally at the federal level and differs from one country to another with regards to the source of income. In Nigeria, oil resource revenue constitutes a great percentage of its federation revenue. As a consequence, the Nigerian constitution provides that the federation receives the oil revenue. Through derivation, the Nigerian system tries to apply the principle of allocation. However, this is hardly the case and is opposed to the idea of equality mentioned in the definition of redistribution. The principle of derivation was implemented in the 1950s, when most of Nigeria’s export and rent came from agricultural produce, particularly cocoa, cotton and groundnut. This was dominated by the Northern and Western states. Originally, the percentage revenue from derivation due to producing states was 50%. When oil was discovered in 1958, the percentage of derivation due to the oil producing states begun to decline. In 1966, the military took over power and 20 years later, the percentage from derivation was set at 1%. In 1998, still under the military era, Nigeria decided to establish a new rule, integrating a derivation pot.

In 2012, oil prices averaged US \$114.07 per barrel while actual oil production was reported at 2.40 million barrels per day. This resulted in actual gross oil revenue of N8,849 billion or 29.83%, exceeding the 2011 budget estimate of N6,816 billion. On the other hand, non-oil revenue of N1,140 billion was however, lower than the 2011 budget estimate of

6 <http://oxforddictionaries.com/definition/english/revenue%2Bsharing>

7 Oxford Dictionary

8 <http://www.businessdictionary.com/definition/allocation-of-resources.html#ixzz2NL91uC7>

9 The WritePass Journal Derivation Principle of Revenue Allocation in Nigeria

10 Dafinone, D. (2001). Resources Control: The Economic and Political Dimension. Urhobo Historical Society. <http://www.waado.org/nigerdelta/essays/resourcecontrol/Dafinone.html>

11 Sandford C. (2000). Why Tax Systems Differ – A Comparative Study of the Political Economy of Taxation. Fiscal Publication: Bath, UK.

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N1,298 billion by N159.32 billion or 12.27%¹². Hydrocarbon export at \$93 billion represented 95% of total export.¹³ Herein lies why the revenue-sharing debate has remained a very volatile subject, for the federation. Nigeria comprises 36 states of which 19 are located in the North and 17 in the South, including 8 on the coastal area¹⁴. Oil and gas resources are found in eight states – Akwa Ibom, Delta, Rivers & Bayelsa, Ondo, Imo, Cross River, Abia and Edo. Nigeria produces 2.5 million bbl/day of crude oil, with the highest volume derived from Delta State.

For all these, the revenue sharing debate is a near zero sum game – a clear Pareto optimality, where an increase for one means a decrease for another. Yet, in all this macabre dance, growth of other promising economic sectors like agriculture, mining and tourism is all but forgotten. In 2002, the Supreme Court of Nigeria declared the “Federal Account” budget as well as “Special Funds Charge” illegal and also ruled that offshore production should be deemed to belong to the federation, rather than to the state whose shore the oil reserves lay. This decision meant that states whose oil was offshore, and which had previously participated in the Derivation Pot, to the extent of their total oil production, were now only to participate to the extent of their onshore oil production. The effect of the ruling was that the Derivation Pot remained (but now equivalent to 13% of total income derived from onshore oil), while the rest of the budget (including income from offshore oil) was wholly put into the Federation account, to be shared among the federal, states and local governments. The state of Cross River was most affected by the decision, because practically all of its production was offshore; also affected was Ondo, most of whose production was also offshore, and to a lesser extent Delta, Rivers and Bayelsa. Below is a summary of the Revenue derivation principles that were used/adopted/proposed by the various commissions in Nigeria from 1946 – 1988

12 Central Bank of Nigeria <http://www.cenbank.org/monetarypolicy/fiscal.asp>

13 CIA The World Factbook – Nigeria. Available at: <<https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>>

14 See Appendix 5 – Administrative Map of Nigeria

Table 12.1: Historical Revenue Sharing Commissions and Sharing Principle

Revenue Commissions	Year	Revenue Sharing Principle
Philipson's Commission	1946	Derivation Even progress Population
Hicks-Philipson Commission	1951	Independent revenue Needs Derivation National interest
Chicks Commission	1953	Derivation
Raisman Commission	1958	Derivation Distributable pool account
Binns Report	1964	Derivation Financial comparability
Dina Report	1968	Basic needs Minimum national standards Balanced development Derivation
Aboyade Commission	1977	Equality National minimum standards Absorptive capacity Independent revenue and minimum tax effort Fiscal efficiency
Okigbo Commission	1980	Minimum Responsibilities Population Social Development Factor Internal Revenue Effort
T.Y. Danjuma Commission	1989	Equality of States Population Social Development Factor Landmass and Terrain Internal Revenue Effort

Source: *Project Hope*

In 2004, the National Assembly and Ex-President Obasanjo abolished the onshore-offshore dichotomy,¹⁵ which brought back the 2002 Ruling¹⁶. Even though this act is much appreciated by the coastal states¹⁷, some politicians called for the re-introduction of the dichotomy, arguing that the offshore production belonged to the federal government. Other political personalities, however, warned against imposing a dichotomy, for fear of the offshore producing states, claiming independence¹⁸. This issue, therefore, continued to be contentious and remained an area for political resolution, particularly given the passion it generates on both sides.

15 Onshore/Offshore Abolition Act 2004

16 See example with 1trillion budget in Appendix 9

17 I. E. Sagay. (2004). Nigeria: Onshore/Offshore Dichotomy Abolition Act: Not yet Uhuru. Vanguard

18 E. Ojameruaye. (2012). Caution on the reintroduction of the offshore/onshore oil dichotomy*

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There has been extensive debate on both sides of the derivation argument. Some argue that Nigeria should practise true fiscal federalism, while at the other end of the spectrum, there is the belief that the extant arrangements are reasonable, subject to a twinkling with the applicable percentages. A review of the principles that guide the implementation of inter-governmental fiscal relations will help shed more light on this debate. The principles that underlie fiscal federalism include¹⁹:

- (a) The principle of diversity:** The federal system must have the ability to accommodate a large variety of diversities. Hence, the fiscal system must provide scope for variety and differences to supply national, regional and local public goods.
- (b) The principle of equivalence:** Based on the geographical incidence of different public goods, allocative efficiency requires the equalisation of locational advantages, arising from inter-jurisdictional differences with a combination of taxes, public goods and services.
- (c) The principle of centralised stabilisation:** This requires the use of fiscal instruments for achieving macroeconomic objectives of growth, stabilisation and full employment by residents of different geopolitical units; this requirement controls for what is often referred to as "central city exploitation thesis".
- (d) Minimum provision of essential goods and services:** This ensures that fiscal federalism guarantees all citizens, irrespective of where they reside, the minimum provision of certain basic public goods and services.
- (e) Principle of fiscal equalisation:** In order to ensure a minimum level of public goods and services, the same degree of fiscal equalisation is required. This is as a result of differences in resource endowment.
- (f) The efficiency principle:** This principle implies that efficiency must be applied in the allocation of resources. In addition, each level of government should maximise its internal revenue earnings at minimum tax efforts.
- (g) The principle of derivation:** The component units of a system should be able to control some of its own resources as they desire.
- (h) The principle of locational neutrality:** Inter-regional fiscal differences tend to influence location choices of individuals and firms. Based on different resource

19 <http://www.sachajournals.com/documents/IkejiSJPS002.pdf>

endowments, differences in tax capacity and effort, some degree of locational interference seems to be an inevitable cost of inter-governmental fiscal relations. Therefore, government policy should focus on minimising distortions due to some interference. Hence, differential taxes, which create locational distortions, should be avoided as much as practicable.²⁰

(i) The principle of centralised redistribution: This principle states that the re-distribution function of fiscal policy through progressive taxation and expenditure programmes should be centralised at the federal level. This seems consistent with the principle of locational mentality. That is, if the redistributive function is decentralised, it can result in distortions in location decisions.

In practical terms as was the arrangement in recent years, Nigeria cedes the management of natural resources to the Federal government. However, "in an emerging democracy, the planning and management of the fiscal relations between the Federal Government and the States will invariably have to depend on the prevailing concept of the Federalism at a particular period in the society as it is the Federal Constitution that expressly distributes revenue resources and taxing power."²¹ However, representatives of littoral states claim a right to self-determination, regarding the management of resources²². It should be noted, however, that the principle of derivation is only one of the nine underlying principles of fiscal federalism. It is of interest that those, who argue that it should be the fundamental pillar for revenue allocation or those who make the case for revenue self-determination do not always consider the other principles. The reason for this obvious omission may be more political than lack of knowledge about the facts.

Consequent on the above, solving resource ownership, management challenges and taxation definitely imply a review of the constitution on the basis of comparison with other countries. What do others do, particularly our peers. In selecting some federations for comparison with Nigeria, two countries of developing economies (IMF definition) with comparable oil production, Brazil and Mexico and one developed economy (IMF definition) of broadly comparable oil production – Canada – are considered. An overview of major features applying to the economies of these countries, and the oil sector in particular, are:

20 Agiobenebo. (1999). Politics of Revenue Allocation in Nigeria: A Reconsideration of some Contending Issues

21 Alhaji Ahmed Iliyasu. Revenue Allocation Formula in Nigeria: Issues and Challenges.

22 Dr. E.Ojameruaye. (2004). The Offshore/Onshore Oil Dichotomy Abolition Act- Matters Arising"

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Table 12.2: Comparative Revenue Sharing based on selected countries

Country	Nigeria	Brazil	Mexico	Canada
Primary natural resource	Oil and gas, minerals	Oil, iron ore, bauxite	Oil, silver	Oil and gas and aluminium
Ownership of resource	Central government	Central government	Central government	Provincial government
Onshore	Central government	Central government	Central government	Central government
Offshore	Central government	Central government	Central government	Provincial government
What the Constitution says about Revenue Sharing percentage. Is there a special fund from oil revenue	Yes. 13% of oil related income	Yes. 7.5% of oil royalties	No	No
Oil revenue based on:	Joint ventures and PSCs	Concessions and PSCs	Profits of state holding company (no concessions or PSCs)	Bonuses, royalties, profit taxes, rentals

Source: Project Hope

Brazil: Brazil has significant oil revenues and recently reviewed its legislation on oil revenue distribution due to the discovery of new off-shore fields in 2007²³. The new reserves, known as the "pre-salt" reserves, will be exploited under production sharing arrangements, where the state takes a share of production, as well as derives other income from signature bonuses, royalties, income taxes, etc. Other reserves are let through concessions, where government revenue derives from signature bonuses, royalties, income taxes, etc. but has no share in production. The rates applied to non- production government income (royalties, etc.), which tend to be lower under PSCs than under concessions, and is relevant in the context of the distribution mechanisms for revenues from oil. The Brazilian constitution establishes that ownership and exploitation of oil resources belongs to the federal government²⁴. Under the Brazilian Petroleum Law of 1989, royalties from oil are shared among the federal government, the states and municipal (local) governments (vertical distribution), with specific provision for a portion of the income to be distributed directly (horizontal distribution through derivation) to those states and municipalities which are oil producing and also to municipalities contributing to the oil production (with pipelines, unloading, transport, etc.). The details of the arrangements for income distribution are as follows (Petroleum Law 1989):

23 (2012). New Brazilian Pre-salt Oil Discovery- StatOil.

24 Rhodes, T. (2011). Brazil : Debate on Brazilian Pre-Salt Royalties <http://www.mondaq.com/x/153010/Oil+Gas+Electricity/Debate+on+Brazilian+PreSalt+Royalties>

Production onshore or in lakes, rivers, lake or river islands: Any royalties exceeding 5% of the production are shared as follows:

- Oil-producing states (52.5%),
- Oil-producing municipalities (15%) and
- Municipalities contributing to the oil production (with pipeline, transport etc...)(7.5%).

Production on the continental shelf: Any royalties exceeding 5% of the production are shared as follows:

- States fronting the production area (22.5%)
- Municipalities fronting the production area (22.5%)
- Contributing municipalities (also called affected municipalities) - 7.5%
- A special fund (7.5%) to be distributed among all 26 states and the municipalities.

In both cases, the first 5% and the remaining 25% of any royalty in excess of 5%, goes to the Ministry of Science²⁵.

The distribution arrangements are in the process of being changed, with proposals that are generating so much political discussion. In 2010, a draft law called "Ibsen Amendment" was proposed and endorsed by the Congress in 2011. It was, however, vetoed by the former President, Lula da Silva²⁶ and approved by the Senate, and then sent back to the Congress, who approved it once again in 2012 to become law.

This law distributes 52.5% of total oil royalties among the country's 26 states, an allocation of 40% is given to the federal government, and 7.5% to the oil producing states²⁷. The oil-producing states are opposed to this plan, because it could make them lose R\$7 billion per year. President Rousseff partially vetoed the law late in 2012. Article 3 of the law sought its application to previously-signed contracts. President Rousseff, however, chose to apply new rules for redistribution to future contracts of pre-salt oil exploration fields. Deputies gathered more than 50 signatures in order to constitutionally overturn this veto and pass the law²⁸. The Congress review is expected in the first half of 2013.

25 The Regulation of the Petroleum Industry in Brazil – Law No. 9478, 6 August 1997. http://www.anp.gov.br/brasil-rounds/round1/Docs/LDOC01_en.pdf

26 Tinar, S. (2011). Congress in Oil Royalties Debates The Rio Times <http://riotimesonline.com/brazil-news/rio-politics/congress-in-oil-royalties-debate/>

27 Novacich, S.E. (2011). New Oil Revenue Distribution Plan Proposed. The Rio Times.

28 Willis, A (2012). Brazil May Vote on Oil Royalties Again. The Rio Times. <http://riotimesonline.com/brazil-news/rio-business/brazil-may-vote-on-oil-royalties-again/>

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Mexico: Mexico is a federal republic comprising 31 states and a Federal District. The political system is composed of federal, state and municipal governments. Most of Mexico's oil production occurs in the Bay of Campeche of the Gulf of Mexico, near the states of Veracruz, Tabasco, and Campeche. The two main production centres in the area include Cantarell and Ku-Maloob-Zaap (KMZ), with additional increased volumes coming from the fields off the coast of Tabasco state. In total, approximately 1.9 million bbl/day — or three-quarters — of Mexico's crude oil is produced offshore in the Bay of Campeche. Onshore fields represent only around 25% of Mexico's total crude oil production. Mexico nationalised its oil sector in 1938, and *Petróleos Mexicanos* (PEMEX) was created as the sole oil operator in the country. PEMEX is the largest company in Mexico and one of the largest oil companies in the world. The energy sector is regulated by the *Secretaría de Energía* (SENER), while the *Comisión Nacional de Hidrocarburos* (CNH) provides additional oversight of PEMEX and its oil and gas activities. In 2008, Mexico enacted new legislations that sought to reform the country's oil sector. The measures included several administrative changes, such as adding new seats to PEMEX's administrative board for outside industry experts; creating a new advisory board designed to provide independent coordination of long-term energy strategies; and establishing a new, technically-oriented, and functionally independent hydrocarbons agency — CNH — to supervise and regulate oil and gas exploration and production.

The reforms permit PEMEX to create incentive-based service contracts with foreign oil companies. In March 2011, PEMEX announced Mexico's first production licencing round, in more than 70 years, with 20 blocks to be tendered to international bidders. The foreign firms were to have no ownership rights over any oil they produce, but they were expected to provide Mexican fields with much needed technological improvements. The first three service contracts under the new framework, which provided incentives to contractors for increased production, were awarded in August 2011 for relatively small, mature fields in Tabasco State. PEMEX has a monopoly on natural gas exploration. However, private participation is permitted in non-associated gas production. The Mexican government opened the downstream natural gas sector to private operators in 1995, though no single company was permitted to participate in more than one industry function (transportation, storage, or distribution). It also created the *Comisión Reguladora de Energía* (CRE) to monitor the sector. Article 27 of the constitution of 1917 gives the Mexican (Federal) government a permanent and inalienable right to all subsoil resources. There are major limitations placed on the ability of states to raise revenue. State taxes on internal trade are specifically forbidden, while since 1983 municipalities have been empowered exclusively to raise revenues from certain activities, including property taxes. Revenue from oil and gas, and natural resources generally, are exclusively under federal jurisdiction.

The Mexican constitution provides little guidance on the appropriate role, operational principles, and design of inter-governmental transfers. The constitution proclaims, in Article 40, that Mexico is a representative, democratic, federal republic, composed of free and sovereign states in regard to their internal regimes. Article 124 assigns to the states, the residual authority or power over all areas not explicitly assigned to the federal government. However, most of the other provisions then proceed to limit the authority of the states. In fact, the Mexican Federal Pact, as expressed in various provisions of the constitution, reflects a certain distrust of the states. Moreover, except with respect to education, there is very little in the constitution about the desired equality of conditions among constitutional units. It does not make provision for how the federation should benefit citizens, except in relation to the division of powers within the federation.

Mexico's form of federalism is one of the most centralised in the world. The federal government directly collects 95% of all revenues. Even when the revenue sharing system is accounted as local and state "own revenue", tax decentralisation in Mexico is only at around 20%. On the expenditure side, in contrast, Mexico has witnessed an accelerated process of decentralisation during the last few years. By now, more than half of federal public expenditure is done by sub-national governments. Decentralisation in Mexico has been transfer-led. The creation of conditional and unconditional federal transfers has not been accompanied by devolution of revenue authority to states or municipalities. Fiscal centralisation in Mexico was the result of a long process through which states and municipalities gave up their capacity to tax, in exchange for conditional and unconditional transfers from the federal government. The main argument behind the loss of local fiscal authority was the notion that double taxation was detrimental to economic activity. Multiple tax jurisdictions, as established in the federal constitution, were gradually eliminated through efforts that started in the Third National Fiscal Convention of 1947 and culminated in the establishment of the current revenue-sharing system, the Sistema Nacional de Coordinación Fiscal (SNCF) and the introduction of Value Added Tax in 1980.

Canada: Canada is a parliamentary democracy, a federation, and a constitutional monarchy, comprising 10 provinces and three territories; it is the second largest country in the world, by geography. The constitution explicitly recognises two levels of government: those of the provinces and that of the federation as a whole. The territories account for about 40% of Canada's land mass, but less than one-third of one percent of Canada's population live in the three territories combined. Therefore, for purposes of this report, the perspective adopted is one of Canada as a federation of provinces, and where the two senior levels of government exercise powers consistent with the country's constitutional arrangements. Ownership of resources in Canada is mixed. The constitution explicitly vests ownership rights of onshore natural resources (including oil and gas), on the provinces they are located, except deposits located in First Nations reservations or national

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parks, which are held by the Crown in right of Canada. Due to history, however, many of the natural resources are in private hands and the owners of these rights may act as producers or enter into agreement with production companies to do the extraction on their behalf, subject to negotiated terms. Offshore oil and gas resources are owned by the federal government, a position which has been confirmed by crucial rulings of the Supreme Court after disputes arose between provinces and the central government. However, a political compromise was reached in the case of Newfoundland and Labrador, whereby shared revenue arrangements were put in place notwithstanding the legal decisions on ownership.

Taxation and charges on income from oil and gas reserves are generally levied directly, by the authority having jurisdiction over the reserves. Both federal and provincial governments levy income taxes on companies exploiting oil and gas.

As regards onshore reserves, provinces charge a bonus on grant of rights to explore and exploit reserves and a royalty on production. In addition, the owner of the rights charges rental payments, although in comparison to the bonuses and royalties, these are relatively small charges. Jurisdictions also levy a freehold mineral tax on oil and gas production from deposits, where rights are privately held although this is usually at a much reduced rate from royalties charged on deposits owned by the Crown.

Royalties are levied by the federal government on offshore reserves, although in the case of Newfoundland and Labrador, they are passed over to the provincial governments under the political settlement referred to above. The federal government enforces direct and indirect taxes. They are directly responsible for postal service, census and statistics, national defence, public service, navigation, fishing, currency, banking, Indians and lands reserved for Indians,²⁹ and can also disapprove provincial laws. On the other side, provincial states control administration, and sale of public lands and ownership of natural resources.

Natural resources are a major contributor to the Canadian economy. Canada produces around 3.0 million barrels per day of oil and it was reported that between 2008 and 2012, the mining, quarrying, and the oil & gas sector contributed around 8% of her GDP³⁰. Federal government income is not heavily dependent on the oil sector in terms of direct taxation, although taxes on employment from the sector are important.

The oil & gas sector provides the main source of non-tax revenue for provincial govern-

29 Section 91 of Canadian Constitution

30 Based on data published by the Canadian government on <http://www.statcan.gc.ca>

ments.³¹ In the management of natural resources, there are, therefore conflicts between the different levels of the state, in particular, given that federal taxes were levied on these resources. This was seen by provincial governments as a federal interference in their ownership. The federal, state and the provinces, therefore, shared the rights over the natural resources and gave exclusive power to provinces to make laws, dealing with development, management and conservation of non-renewable resources. They also regulated the right of primary production when inter-provincial and export trade were given to the parliament. Both levels of government, consequentially, have been given full power of taxation, regarding their exclusive rights and taxes are collected by both levels.

Canada's constitution (of 1982) commits the federal government "to the principle of making equalisation payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services, at reasonably comparable levels of taxation". The federal government funds, out of its general revenues, a system of fiscal equalisation that provides transfer payments to governments of provinces with low fiscal capacities to bring them up to an after-transfer fiscal capacity that is close to the national average. Other major transfers, such as for health, post-secondary education, and welfare, are very large (though not directly related to provincial oil and gas revenues) and also have an equalising impact. The equalisation programme addresses residual disparities and represents much less than 10% of annual federal government expenditures. It is notable that the equalisation regime considers only fiscal capacity, not need, and it only "equalises up" not down, so that a "rich" province, such as Alberta, can remain well above the national average fiscal capacity.

In general, oil and gas revenues collected by governments in Canada have been treated as part of general revenues, with little attention paid to the significant degree of variation exhibited by these revenue flows over time. This approach has tended to exert pro-cyclical pressures on the expenditure profiles of provinces with significant oil and gas revenues. To the extent that these revenues fall when there is an economic downturn, then oil and gas producing provinces face growing budget deficits (and ultimately higher levels of public debt) and, eventually, pressures to reduce spending levels at a time when standard macro-economic stabilisation policy would suggest that increased government expenditures might well be in order.

In the early 1970s, Alberta sought to address this problem by giving itself a savings vehicle for non-renewable resource revenues. When the Alberta Heritage Savings Trust Fund (AHSTF) was established in 1976, 30% of annual oil and gas royalty revenues were to be

31 Gouvernement Provincial – L'encyclopédie canadienne. <http://www.thecanadianencyclopedia.com/articles/fr/gouvernement-provincial>

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invested in the fund. However, as royalty revenues fell, the province opted to maintain its policy of relatively low taxes and high spending; this resulted first in a reduction of the share of royalty revenues to be saved, and eventually, in 1987, to the termination of all flows of such revenues to the fund. Over the last few years, as provincial oil and gas revenues rose and then remained at historically high levels, the Government of Alberta has again made contributions to the AHSTF.

It can be seen that fiscal distribution exists in most countries and falls into two categories: vertical distribution and horizontal distribution. As it relates to vertical distribution in Nigeria, the sub-national governments become extremely dependent on transfers from the central government, which is the case for the states and local governments. We have seen that in Nigeria, there has been tension over both the vertical and horizontal income distribution, for example, there has been disagreements over whether the federal government gets more of the national income than it should, in comparison to the state and local governments; and whether the income allocated to the states is shared fairly among them. A review of what other governments do, revealed the following:

The Brazilian constitution establishes that ownership and exploitation of oil resources belongs to the federal government. Royalties from onshore production of oil are shared among the federal government, states and municipal (local) governments at 52.5%, 15% and 7.5% respectively with the balance of 25% going to the Ministry of Science. Similarly, production on the continental shelf is shared among the federal government, states and municipal (local) governments at 22.5%, 22.5%, 7.5% respectively. A special fund of 7.5% is also distributed among all 26 states and the municipalities while the balance 25% goes to the Ministry of Science.

The Mexican (federal) government has a permanent and inalienable right to all subsoil resources. Mexico's federalism is one of the most centralised in the world. The federal government directly collects 95% of all revenue. Even when the revenue sharing system is accounted as local and state "own revenue", tax decentralisation in Mexico is only at around 20%.

The constitution of Canada explicitly recognises two levels of government, those of the provinces and that of the federation as a whole. Offshore oil and gas resources are owned by the federal government. As regards onshore reserves, provinces charge a bonus on grant of rights to explore and exploit reserves and a royalty on production.

In summary therefore, the Nigerian model falls well within the range of the two extremes discussed above, represented on the left by Mexico and on the near right with a mix by Canada. It is clear from the above that the debate in Nigeria is self-serving and diver-

sionary, as it turns the people away from the real issue of national wealth creation and human development. They end up being veered towards the energy-dissipating acrimony of who gets the lion share. It is an absolutely irrelevant debate, which is created by the elites to further pauperise the masses. The challenges of the application of the derivation principle in Nigeria, in the stakeholders opinion, range from environmental degradation, health hazards, poor compensation of host communities, absence of a clear structure to manage the funds for the benefit of the host community, population distribution, even equitable economic opportunity, the physical and social decay of infrastructures, high finance outlay for harnessing and developing mineral resources and over-politicisation of the derivation principle in Nigeria's revenue allocation system.

In a federal system, revenue allocation is carried out across the different tiers of government, namely, the federal (or central), state and local governments. In the federal system, the idea is that revenues generated should be allocated based on a sharing formula or agreed logical system. The critical difference from the unitary system is that the state and local levels of government are not accountable to the central government. From this point of view and the analysis carried out above, it can be said that apart from Canada, which operates a mix of private, provincial and central government ownership and control, Nigeria is in good league with Brazil and Mexico. However, the oil producing states in Nigeria (with the 13% they currently get), fare better than their contemporaries in those countries. Two major factors have resulted in a deviation from the intended original design. The explosion of the Nigerian population, as well as the growth of the individual governing units (states) has made the agreement on a suitable revenue sharing formula, challenging. The federal system of government is one in which each tier of government has a constitutional right to the 'national cake'. It is with this right that the different units of government have continued to argue for their piece of the national resources – sometimes to the detriment of the congregated whole.

It can be said that apart from Canada, which operates a mix of private, provincial and central government ownership and control, Nigeria is in good league with Brazil and Mexico. However, the oil producing states in Nigeria (with the 13% they currently get), fare better than their contemporaries in those countries.

Secondly, the ruminations on revenue allocation were further extended and even complicated by the discovery of huge natural resources in oil and gas (discussed later) in Nigeria. It has created two continuums in the discussion. First, there is the vertical continuum, where revenue sharing amongst the three tiers of government is the focus. Then there is the horizontal continuum, where allocation of revenues between the resource-rich and the resource-deficient regions, has grown significantly in importance. Resource in this

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context refers to the oil and gas resources. These perspectives and unique quirks are still present, due predominantly to the historical precedents and the adoption of the federal system of governance.

Prior to the discovery of oil and gas in Nigeria, it was easier for the country to successfully operate a true financial and fiscal federalism – and, therefore, a more effective policy of derivation. It was and still is recognised that besides oil, Nigeria is blessed with a wide range of natural and mineral resources in large reserves. In the past, each sector was able to develop and grow in size and strength. In effect, there was true federalism in the economy and in the revenue allocation – at least regionally. Regional governments were able to appropriately generate revenues from industries in their local areas. This made Revenue Mobilisation as a concept, relatively straightforward. Each area had a strength it was developing. Over the decades, Nigeria depended more and more on oil as a source of revenue. This created two problems that Nigeria has struggled to shake off whenever the derivation discussion is raised. Firstly, with the increased focus and development of the Energy sector, other areas of the economy suffered neglect and ruin. Effectively, what was not used or what was used less, suffered neglect and abject decline. This issue led to the effective derailment of the derivation exercise. As the other regions depended more and more on revenues from oil-producing regions of southern Nigeria, the oil-producing areas themselves suffered neglect and poverty. The gains to the federation from oil, came at a high expense of environmental and economic degradation, within these oil-producing areas. These, amongst other factors, have led to clamours for a higher portion of the oil-related wealth for redistribution to the regions. Hence, the tug of war between the northern and southern regions for oil-generated revenues to the extent that governors of the Southern oil-producing states, have been agitating for greater control of this resource derived from their states. This is a peculiar argument of the glass of water being either half full or half empty. Think of what can happen if the natural human and material resources of Nigeria are efficiently put to use and a two-trillion-dollar economy created. The oil-producing states will see that the current resource control debate amounts to being a big fish in a small pond – a position that is, therefore, only myopic. The real issues to be addressed are discussed below.

Big government and communities' agitations: At the heart of revenue mobilisation is the notion that each tier of the government must be funded. This ushers in the dimension of the vertical continuum mentioned above – where revenue must be shared among the federal, state and local governments of the federation. However, communities often complain of not seeing the effects of revenue resources shared across the three tiers. Nor do they feel their impact at their local communities or in their individual lives. Two problems are behind this. One is the size and the cost of governance. It is due to the lack of transparency in government that the notion of cost of government is relevant. There

are both 'seen' and 'unseen' costs of governance. i.e. costs that are though recognised in accounts but inflated. All these has meant that more (than is necessary) of its scarce resources will be used to 'maintain' a burgeoning government. Another challenge is itself an offspring of the first problem. This is the point that, with a big government, there are fewer resources available for local communities. In other words, the size and cost of the government implicitly create challenges in executing an effective revenue mobilisation policy, irrespective of what percentages are used. It is even arguable that if a higher percentage of revenue generated from the federal units were ploughed back in greater portions, it would make a visible difference in the lives of the local indigenes, due simply to the size and cost (seen and unseen) of running government. Whether or not derivation is adopted as an approach to revenue mobilisation, a big government effectively is counterproductive to the goals of derivation.

Think of what can happen if the natural human and material resources of Nigeria are efficiently put to use and a two-trillion-dollar economy created. The oil-producing states will see that the current resource control debate amounts to being a big fish in a small pond

Federalism and fiscal federalism: Though Nigeria is a federal union of semi-autonomous regions (states), its unity is not defined by contentment with its revenue allocation system. One key reason is that when they are paired side by side, there exists a difference between the system of governance and the system of revenue allocation. Fiscal Federalism in its strictest definition is characterised by a revenue allocation approach, where the states or regions have a high degree of autonomy in revenue mobilisation that must be mirrored by the state's sharing of power.

If there is a difference, the politics must morph to resemble the economics or the economics morphs to the politics. The 1981 Act on Revenue Mobilisation allocated the greatest share of revenues to the federal government (55%) and the remaining 44% to the state and local governments. The 1999 constitution amended the formula to give the federal government 56%, with the state and local government sharing 44%. Furthermore, though the 13% policy of derivation seeks to redress this imbalance, it falls significantly short. Nigeria's revenue allocation, though referred to as fiscal federalism, resembles more of a unitary form of revenue mobilisation. The practice diverges from the spirit of federalism. This goes against the practice of fiscal federalism across the world where federalism is practiced. Given that this precedence is backed by the Nigerian constitution,

Currently, oil and other revenues from the centre are treated as unconditional grants (entitlements) to all tiers of government. This creates the wrong incentives towards work and competition.

derivation --in its current form – does not solve the challenges of delivering an effective revenue allocation mechanism. The existing practice effectively takes revenues away from the regions they were generated from. Ultimately for oil producing regions – and indeed every region that contributes to the federal account – the plan must be to ensure that there is a concerted effort to ensure development of these regions with revenues derived from there, to practicalise the saying that the goose that lays the golden eggs is well looked after.

Breaking the mould of historical antecedents: Chijioko, Innocent and Jeffery in their paper: “Issues on Nigerian Fiscal Federalism, The Relationship between The Principle of Derivation and Resource Control”, charted the history of revenue allocation in Nigeria³². They reflected on five phases from 1950 till date that the country has been through, in arriving at its current disposition on revenue allocation.

Table 12.3: Summary of Historical Revenue sharing in Nigeria

Phase	Year	Revenue Mobilisation
1	1948 – 1952	Centralised revenue mobilisation. The excesses in the central government was allocated to regional governments
2	1952 – 1954	Autonomous revenue and tax jurisdiction for the regional governments were introduced
3	1954 – 1959	Adoption of the regional revenue and tax jurisdictions with the added adoption of derivation in sharing revenue collected by the Federation. The northern and western regions benefited most at this time as the commodities (cotton and groundnuts in the North and cocoa in the West) were in high demand. The eastern region less so.
4	1960 – 1966	The independence of Nigeria in 1966 brought a pull towards a more central fiscal arrangement. A derivation percentage of 50% was enshrined into the 1960 and 1963 constitutions. The argument at the time was to strengthen the federal government hence the reduction.
5	1966 – current day	A number of strong historical storms blew over Nigeria that would greatly impacts its revenue allocation perspective.
		Then there was the Nigerian Civil War which precipitated the weakening of the federal units.
		Since that period, several revenue mobilisation commissions and reports have placed lesser and lesser relevance on derivation. Eventually we ended up with a 13% derivation formula in the 1999 Constitution. Though a new formulae is purported to been derived. (ThisDay Adebapo, Adebiji, 2013)

The relevance of this brief historical excursion is to highlight the back drop of the revenue mobilisation discussion in Nigeria. It is safe to say that these events and developments have gone a long way in shaping the thoughts of the people of Nigeria and hence, ultimately directing the discussion on the subject. Suffice it to say that, without a new direc-

tion on revenue mobilisation, the adoption of 'derivation', as a tool of fairly allocating revenues, will face a significant uphill battle. Nigeria, like any other nation, is a country whose destiny is shaped by its historical antecedents. This cannot be denied as history has cast a dye that cannot be easily washed. However, the central government must lead its people away from such history, if it is to experience a new era in revenue mobilisation that would be transparent, fair and widely accepted.

Broken moral compass of the tiers of government:

Due to a poor culture, code and spirit of public service and good governance, the three tiers of the Nigerian government and the civil service's debates on revenue allocation are perceived at best as lip service. There is a strong perception that in truth they have become turf wars where civil servants in federal, state and local governments are simply out to advance and protect the individual and or group interests of their areas. Many point to very few, if any, revenue resources that reach local communities and their people. Revenue allocation discussions are now argued from a 'grab-it-quick' viewpoint, than a 'we-are-here-to-serve' one. This argument as well as the size and cost of government, both collude to make any discussion on derivation peripheral, to solving the challenges of revenue mobilisation.

Misallocation of priorities: Significant emphasis has been placed on sharing scarce but allocatable resources, over and above focusing more on pressing and fundamental issues, particularly on building the ability to generate economic wealth, at every level of the economy i.e., the local, state and national economy. It is the proverbial case of putting the cart before the horse. Perhaps this stems from an over reliance on the natural Oil and Gas reserves and the growing suspicion of one and another by the various ethnic nationalities.

Tax collection system: Tax administration and collection in Nigeria is complicated and cumbersome. In spite of the growth in non-oil-related sectors, the poor tax revenue computation and collection system makes it difficult to realise these benefits in the federation account.

Nigeria, like any other nation, is a country whose destiny is shaped by its historical antecedents. This cannot be denied as history has cast a dye that cannot be easily washed. However, the central government must lead its people away from such history, if it is to experience a new era in revenue mobilisation that would be transparent, fair and widely accepted.

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This of course is a factor of people seeing that government is efficient and accountable to them, and they will be spurred into voluntary tax payment to boost the treasury for government to do more.

A contemporary issue that is now fundamental to this discussion is the fact that shale gas would prove a game changer, as it will impact greatly on both the future demand and price of Nigerian crude and in fact, the level of revenue available to the various tiers of government. The revenue mobilisation decision should be refocused and take the fact of increased world energy supply, potential falling oil prices and government revenues into consideration and evolve a new government policy.

In conclusion, therefore, the principle that should guide the nation's fiscal federalism should not lay more emphasis on sharing but on production. The cornerstone for productive economic governance include: the need for competitive federalism; the acceptance of subsidiarity and multi-speed Nigeria; and fiscal responsibility. According to Professor Charles Soludo, "Nigeria's peculiar federalism, with its indolent culture of entitlements, creates a consumption loop that guarantees perpetual dependence on volatile primary commodities. One objective of a new constitution should be to remove the feeding bottle, and jack up the federating units to mature into self-fending adults. Necessity, they say, is the mother of invention. The umbilical cord between government and business is that government relies on business to create jobs and provide revenues. In turn, governments do everything for businesses to thrive. Free money from Abuja has broken this. To restore the umbilical cord and incentive for states to create wealth and hence for entrepreneurial policymakers to

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emerge, we must wean the system of helpless dependence on the Abuja feeding bottle. The first step is to recognise that Section 162 of the constitution is a fundamental drag on Nigerian development. It states that "The Federation shall maintain a special account to be called 'the Federation Account' into which shall be paid all revenues collected by the Government of the Federation... Any amount standing to the credit of the Federation Account shall be distributed among the Federal and State Governments and the local government councils in each State on such terms and in such manner as may be prescribed by the National Assembly." This is the formalisation of the command and control structure foisted by the military.

Some analysts argue that Nigeria's development was halted since the first military coup in 1966. The constitution was suspended, and a quasi-unitary system imposed. Since then, Nigeria has not found its bearing again. Competitive federalism was replaced by a system of centralised command in which everyone went cap in hand for hand-outs from the

centre. By this provision, everyone received unconditional free money from the centre and with statutory powers to spend as it wishes, without monitoring or accountability. Even the local governments, which were also 'created' by the centre, directly received their own 'shares' from Abuja and could do whatever they wish with the money."³³ A key principle is to ensure a true federal structure and a new fiscal federalism that is developmental, with each of the federating units, being fiscally viable as to be able to fund its recurrent expenditures, and provide some basic infrastructure on its own without recourse to the centre. Currently, oil and other revenues from the centre are treated as unconditional grants (entitlements) to all tiers of government. This creates the wrong incentives towards work and competition. Experience in many countries shows that such kind of aid (like a welfare system without individual responsibility) has left most of its beneficiaries helplessly dependent and the society worse-off. There is need to review the devolution of revenue powers to the regions/states in the area of VAT for example. States should be empowered to vary corporate tax rates to attract industries to their domains while the Federal Government only sets the upper limit? The derivation principle should provide incentive for states/regions with natural resource endowments to exploit them, there is need to make the Federal Government slimmer, more effective and funded on a sustainable basis, and the kinds of transfers to be made to distressed states/regions, should be deliberated. It is very important to make the centre far less attractive.

Escaping the resource curse

Many resource-rich African countries make poor use of their wealth. Take Equatorial Guinea, a small oil-producing country for instance. In 2010, an estimated 75% of the country's population lived on less than \$2 a day, but the average per capita income was almost \$35,000, the highest on the continent of Africa. This simply means that the wealth of this rich nation is in the hands of a very few people. The Nigeria situation is worse than this. With the largest economy in Africa, having the richest woman in the world and the richest man in Africa, 68% of the Nigerian people live on less than \$1.25 a day, while over 23% of the population, mainly youth under the age of 35, are unemployed. Instead of creating prosperity, resources have too often fostered corruption, undermined inclusive economic growth, incited armed conflict and damaged the environment. Corruption is endemic in many of Africa's most resource-rich countries. Rather than invest resource revenues into infrastructure and education, crook-

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33 <http://www.thisdaylive.com/articles/reconstructing-nigeria-for-prosperity-2-125135>. Nigeria by Professor Charles Soludo 17 September, 2012.

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ed politicians, often in collusion with the companies mining the resources, siphon proceeds from the continent's mineral and petroleum wealth into their pockets. Resource-rich countries are plagued by a phenomenon called the "Dutch disease". The Economist coined the term in 1977 to describe the impact of the North Sea gas bonanza on the economy of the Netherlands, whose exports of natural resources led to foreign exchange inflows, which drove up the value of her currency.³⁴

The overvalued currency made domestic manufacturing, agriculture, and other exports less competitive. This illness afflicts both well-governed and poorly-governed countries, but the former have more ways of allaying the consequences. Nigeria is a striking example of what is now known as the resource curse syndrome. A little over 40 years ago, when the country was still an important exporter of agricultural produce, annual per capita income was \$913. Now, the 170 million people of Nigeria earn less than \$2,900 on average. They often live without electricity, without running water, without a developed road system –even though revenues from oil have tripled during the same period. Nigeria is one of the global oil business's greatest hopes. Nature has blessed the country and she could be extremely wealthy. Instead the country is being ruined. In Nigeria today, armed militias fight in the Niger Delta, terrorising and kidnapping oil workers, Boko Haram has almost ransacked the entire North east of the country while Fulani cattle rustlers have ravaged the north central states. The country is under siege and its people are worn out by ongoing conflicts all over. The situation is so chaotic that the country, which is the world's sixth-largest oil exporter, is importing fuel. The country doesn't have 'functioning' refineries to process oil for its own people.

Economists speak about the "paradox of abundance" when they describe such contradictions. Or they speak somewhat more mysteriously about the "resource curse". It's not

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just the economy that's cursed, but the entire state –and the general population suffers most. To understand the natural resource paradox, we need first a sense of what makes natural resource wealth different from other types of wealth. Two key differences stand out. The first is that unlike other sources of wealth, natural resource wealth does not need to be produced. It simply needs to be extracted (even if there is often nothing simple about the extraction process). Since it is not a result of a production process, the generation of natural resource wealth can occur quite independently of other economic processes that take place in a country. For example, it can take place

34 (The Dutch Disease" (November 26, 1977). The Economist, pp. 82-83.

without major linkages to other industrial sectors and it can take place without the participation of the domestic labour force. It can also take place quite independently of other political processes; a government can often access natural resource wealth whether or not it commands the cooperation of its citizens or maintains much control over other state institutions.

The second major feature is that many natural resources—in particular, oil and gas—are non-renewable. From an economic point of view, they are less like a source of income and more like a cake that can be consumed over time but which will eventually run out. These two features give rise to a large array of political and economic processes that produce adverse effects. Simply stated, petroleum dependence turns oil states into ‘honey pots’ – ones to be raided by all actors, foreign and domestic, regardless of the long-term consequences produced by this collective rent seeking. But there is a method to these paradoxes, and it can often be observed in those areas where oil and natural gas, metals such as gold, silver and copper, and precious stones such as diamonds, rubies and sapphires are extracted. It is precisely in countries that dispose of the largest resources that poverty and misery reign as war and violence run rampant.

The economies of these countries have missed the chance to participate in the information society. Years ago, American economists, Jeffrey Sachs and Andrew Warner, closely examined this state of affairs and discovered a significant fact: States rich in resources usually have considerably lower economic growth than states where natural resources play a less important role³⁵. Because the roots of this trap are largely political and institutional, overcoming the perverse impacts of oil-led development must begin with political and institutional agreements. This requires a ‘big push’ in the direction of a far-reaching “fiscal social contract” based on transparency – one that creates incentives to change the rents-seeking behaviour of all the stakeholders, both international and domestic, involved in the oil business. The take-off step in this fiscal social contract is in effect a broad-based agreement among nations and their citizens, companies and international financial institutions to be more open about the allocation of oil rents so that their distribution can become fairer. This would also permit the eventual transition to alternative energy forms to be made in a more orderly and less conflict-laden fashion. Its outlines are already discernible in the emerging convergence over the importance of transparency as a first step for overcoming the resource curse. This is so because whatever the past benefits of relatively cheap energy, over time, petro-states suffer from at least three types

35 https://www.google.com.ng/search?q=Jeffrey+Sachs+and+Andrew+Warner+resource+curse&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a&channel=np&source=hp&gfe_rd=cr&ei=AxoSVNeVNcGA8QeWhYGgAw

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of “stateness” deficits --information, monitoring and participation³⁶.

- **The information deficit:** arises from the absence of a robust tax bureaucracy, the dearth of feedback mechanisms that are derived from citizen’s payment of taxes, and the general opacity of the industry itself. This means that oil governments are denied crucial knowledge, showing for example, the types of successful businesses that should be promoted or how patterns of income distribution are changing; at the same time, without this sort of information, citizens have virtually no viable way of assessing whether their own demands on the state or the government’s expenditure patterns are reasonable or effective.

The monitoring deficit: originates from the lack of a revenue incentive to develop or comply with regulations on the part of economic producers; it is exacerbated by the acute over-centralisation of power, within the executive that makes it difficult to construct meaningful checks and balances, and in the case of the energy sector, by the enormous capacity of multinational energy companies to prevent or circumvent regulations, both in their home and host countries.

The participation deficit: comes to pass in a myriad of ways, but most especially from the lack of connection between subjects and the state, which breaks any sense of ownership of public resources or consequent citizen engagement. This fosters a renter culture because citizens tend to track governments less when they are untaxed and rulers have less interest in the productivity of their subjects when they do not

Such powers of the authorities as permitting one firm to enter their country ahead of others (for a price) or set up bonus bidding, requiring companies to compete on the basis of how large an up-front bonus they will pay, lead to more corruption and conflict

depend on these activities for raising revenues. Together, these three deficits effectively remove any effective form of fiscal accountability in oil-exporting countries. They also weaken efforts to hold foreign and national energy corporations accountable for their activities inside petro-states, most especially with regard to environmental damage and impacts on local communities. Whatever the type of regime place, building better governance both within oil states and in the international petroleum sector rests on addressing all three of these deficits. Inability to positively address all of them, compound’s the problems in the following ways:

Market failure and state failure: Opacity is the glue holding together the patterns of revenue extraction and distribution that characterise petro-states, as well as the entire

36 The Political Challenge of Escaping the Resource Curse: The Case for a Transparent Fiscal Social Contract Terry Lynn Karl (Stanford University)

international petroleum sector. Companies do not publish what they pay to states, and states do not disclose what they earn and spend. Neither concessionary nor the more common contractual systems are transparent; governments, on their part, do not even provide the most basic information about their revenues from natural resources. There is no transparency, regarding the amount of resources available to be exploited, their rate of exploitation, the funds that governments actually receive, and the uses to which these funds are put. Until recently, concealing information, hiding output plans and price objectives, refusing to be transparent about how the government interacts with those involved in the extraction of oil, was opaque; confidentiality clauses were used to obscure the content of signed contracts and they were the name of the game. Huge amounts of money were virtually untraceable and they were not subjected to any oversight. The 'marriage of convenience' between oil countries and the companies meant that obscuring information was not difficult.

The short-term advantages of doing business this way was that for companies, confidentiality shaped how they account for their costs, what profits they report, how much profit tax they must pay to governments, whether they can offer large signature bonuses or make side payments to enhance their competitive advantage in a country, and even how they interpret or possibly veto environmental or human rights standards. For the governments, opacity affected the sort of contracts they entered into, the amount of revenues they received and whether these funds were ultimately traceable, and the types of security or environmental standards they did or did not defend. But as the resource curse showed by its negative impact on Nigeria, on the longer run, opacity is only a formula for corruption and concomitant development disaster. Such powers of the authorities as permitting one firm to enter their country ahead of others (for a price) or set up bonus bidding, requiring companies to compete on the basis of how large an up-front bonus they will pay, lead to more corruption and conflict³⁷. The above features give rise to a large array of political and economic processes that produce the following adverse effects on the Nigeria economy.

Unequal expertise: The first problems arise even before monies from natural resource wealth make it into the country. Governments face considerable challenges in their dealings with international corporations that have great interest and expertise in the sector and extraordinary resources to draw upon. Since oil and gas exploration is cap-

When a country's wealth depends on investments in manufacturing or other productive activities, investments in human capital are an important part of wealth creation.

³⁷ Terry Lynn Karl, *The Political Challenge of Escaping the Resource Curse: The Case for a Transparent Fiscal Social Contract* Stanford University

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ital, and, increasingly, technologically intensive, for many countries, extracting oil and gas requires working together with private sector actors—typically international private sector actors --with experience in the field. In many cases, this can produce the unusual situation where the buyer—the international oil company—actually knows more about the value of the good being sold than the seller, the government of the resource-rich country. Companies can in such instances be in very strong bargaining positions relative to governments. The challenge is to find ways to hire international corporations that have the expertise in a way that will give the host countries a fair deal. If, of course, there are large numbers of corporations, which have the requisite knowledge, then competition should be able to eliminate the rents associated with expertise to enable the country with the resource receive a larger fraction of the market value of the resource.

“Dutch disease”: As the money starts coming in, new problems are created. One surprising result of the discovery of natural gas in the North Sea was that the manufacturing sector in the Netherlands went into steep decline. Economies undergoing similar processes are now said to have caught the “Dutch disease.” The pattern of the disease is straightforward. A sudden rise in the value of natural resource exports produces an appreciation in the real exchange rate, which makes exporting non-natural resource commodities more difficult, and competition with imports on a wide range of commodities almost impossible (this is called the “spending effect”). Foreign exchange earned from natural resource, meanwhile, may be used to purchase internationally traded goods, at the expense of locally manufactured goods. At the same time, domestic resources are shifted to the natural resource sector (this is called the “resource pull effect”), for example, in the provision of labour or materials. The cost of labour and materials then rises on the domestic market, and increases costs to producers in other sectors.

Volatility: The Dutch disease problem arose because of the quantity of oil money coming in; other problems arise because of the timing of the earnings. Earnings from oil and gas production, if viewed as a source of income, are highly volatile. The volatility of income comes from three sources --the variation over time in rates of extraction, the variability in the timing of payments by corporations to states, and the variability of the value, or price, of oil and gas produced.

Living off your capital: A new set of problems arise once governments start spending their earnings. Because oil and gas resources are non-renewable, any consumption of revenues from sales should be viewed as a consumption of capital rather than of income. If all revenues are consumed as they come then the value of the country's total capital declines. Ignoring extraction costs, an optimal strategy involves converting most of the natural resource stock into financial assets, investing the assets in a diversified portfolio and treating the interest on the financial assets as income. In

principle, the portfolio composition problem can be fully separated from the expenditure decision. It may be optimal to convert oil below the ground into gold, apartment buildings, dollars, or some others above the ground. Indeed, doing so – for example by selling oil rights on futures markets – could entirely remove the income volatility associated with natural resources. Similarly, complete privatisation of oil rights (with up-front payments) might, in perfectly functioning markets, serve a similar role. But in practice, the income and expenditure sides get linked. The country sees its income rise (as a result of extraction) and there will be pressure to spend the money. Other pressures may arise from populations demanding rapid and visible improvements in welfare or from constituents demanding favours in return for political support.

Oil dependent economies for example are considerably more likely to have limited political freedoms, are more likely to be governed by non-democratic regimes, tend to have higher levels of corruption and are more likely to suffer from civil wars within their boundaries.

Insufficient investments in education: Along with over-consumption comes underinvestment. Studies show that one form of investment that suffers especially is education; when states start relying on natural resource wealth, they seem to forget the need to build the skilled workforces, which they need to work in other sectors, once the resource wealth dries up; as a result, the share of national income spent on education declines, as does secondary school enrolment and the expected years of schooling for girls. While the costs of such declines might not be felt in the short term as capital intense activities take up a larger share of national production, their effects are likely to become more significant in the longer run as soon as economies start trying to diversify. It may be possible to understand this bias in terms of the nature of the sources of wealth. When a country's wealth depends on investments in manufacturing or other productive activities, investments in human capital are an important part of wealth creation. Beyond these economic and financial concerns, there are series of political dynamics of oil and gas dependence that generate adverse effects for economies. Oil-dependent economies for example are considerably more likely to have limited political freedoms, be governed by non-democratic regimes, tend to have higher levels of corruption and to suffer from civil wars within their boundaries. Strong causal arguments suggest that natural resource dependency is more or less directly linked to these outcomes through a number of mechanisms.

Corruption: The most obvious political risk arising from large holdings of natural resources is high levels of corruption. The short-run availability of large financial assets increases the opportunity for the theft of these assets by political leaders; and those, who control these assets, can use that wealth to maintain themselves in power, either through

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legal means (spending in political campaigns) or arms. By some accounts, corruption is a hallmark of the oil business itself. But oil and gas dependence can also affect corruption indirectly. As was discussed below, the presence of oil and gas wealth can produce weak state structures that make corrupt practices considerably easier for government officials. And these risks are likely to be exacerbated if the growth of the oil and gas sector is associated with a concentration of bureaucratic power. Not surprisingly, statistical studies that seek to account for different levels of corruption in different countries, find that natural resource dependence is a strong predictor (Leite and Weidmann, 1999): The corruption takes many forms. International mining and oil companies, seeking to maximise profits find that they can lower the costs of obtaining resources more easily by obtaining the resources at below market value - by bribing government officials - than by figuring out how to extract the resources more efficiently. In other cases, the natural resource is sold to domestic firms at below full value, with government officials either getting a kickback or an ownership share. In practice, the risks here are a number of difficulties with a highly volatile income source.

Weak, unaccountable states: Although one might expect that the added resources available to states from Oil and Gas revenues might make them stronger, there are a number of reasons why paradoxically, it can make them weaker. States that are able to generate revenue from the sale of oil and gas are less reliant on citizens. One result of this, however, is that their linkages with civilians may become weak. Citizens that are untaxed may have less information about state activities and may demand less of states. Should they disapprove of state action, they are deprived of the means to withdraw their financial support from states. As a result, states have less need to engage with civilians. Relying on external income sources, they have less need to develop bureaucracies to raise revenue. And since their revenues are largely independent of how well the economy is doing, they have less of a need to engage in activities that support the economy. Without a broad support base in the economy, they can of course instead invest their earnings in oppressive capacity. But such structures are not resilient and the capacity of repression can easily be turned against a government.

Threats to democracy: These adverse political effects ultimately have consequences for the political system itself. Countries rich in natural resources, and in oil and gas in particular, are less likely to have democratic political systems, and in particular, non-democratic oil states are less likely to become democratic than non-oil states. This relationship has been found in cross national studies that relate the discovery of oil in a given period to democratic changes over the coming decades (Tsui 2005). In effect, access to oil wealth can allow leaders to avoid giving up power through electoral processes (although they may be more vulnerable to coups and civil wars). Such patterns have even been seen within the United States.

Grievances in producing regions: The production of natural resources is liable to give rise to various types of political frustrations within a country, especially in producing regions. The extraction process itself may result in forced out-migration, new in-migration, with attendant population pressures, environmental pollution or degradation.

Military challenges to governments: In the most difficult cases, the resource curse ends up in civil wars. Civil wars are statistically speaking, more likely to occur in oil-rich states; and indeed some oil-rich states such as Angola, Columbia or Sudan have had civil wars within their borders for decades. There are a number of reasons for this. If oil and gas wealth accrues to political leaders simply by virtue of the fact that they maintain nominal control of a state, this increases the incentives of non-state actors to attempt to capture the state, often by using violence to do so, in order to benefit from the resource wealth³⁸ (Collier and Hoeffler 2000; Fearon and Laitin 2003). This can lead to secessionist bids in some countries – sometimes aided by the grievances that arise in producing regions – or to attempts to topple the central government out rightly, as the example in the Republic of Congo (Engelbert and Ron 2004)³⁹. These incentives are all the stronger if, as described above, the resource-rich state has a weak capacity and lacks legitimacy. Because of the major international interest in these resources, outside actors – states as well as corporations – may have an interest then in supporting threats to a central government in anticipation of special relations with the new regime. Foreign powers have often meddled shamelessly in the politics of oil-producing countries to try to keep a hold on oil resources and revenue flows accruing to them. The CIA-backed coup in Iran in 1953 is the most famous example.

Political and economic interactions: There are strong interactions between the economic problems discussed in the first part of this section and the political problems discussed in the second. Even in democracies, governments often get less than the full value of their resources in privatisations or other ways on engaging the private sector in resource extraction because firms in the extractive industries work to ensure that the procedures by which such contracting is undertaken (for example the design of the auctions and contracts) does not maximise the revenue accruing to the government; their objective is to minimise what they have to pay — and through campaign contributions, they often succeed in achieving their objective.

38 Collier, P. and A. Hoeffler. 2000. Greed and Grievance in Civil Wars. Working Paper World Bank. WPS 200-18 Fearon J.D. and D. Laitin. 2003. Ethnicity, Insurgency and Civil War. *American Political Science Review* 97 (1):75-91

39 Pierre Englebert and James Ron. Primary Commodities and War: Congo-Brazzaville's Ambivalent Resource Curse Source: *Comparative Politics*, Vol. 37, No. 1 (Oct., 2004), pp. 61-81 Published by: Ph.D. Program in Political Science of the City University of New York

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Resource curse is avoidable or at least, countries already trapped in it like Nigeria, can emancipate themselves and this is what Nigeria should do. Africa could be prosperous if it practised good governance: transparency in its dealings with mining, oil and gas companies; stronger disclosure and anti-corruption rules; and economic policies that

Africa could be prosperous if it practised good governance: transparency in its dealings with mining, oil and gas companies; stronger disclosure and anti-corruption rules; and economic policies that promote diversified economies and discourage dependence on resource rents.

promote diversified economies and discourage dependence on resource rents. Transnational companies could be compelled to play a more important role, too, by enforcing and strengthening existing transparency rules. Governments in extracting and capital-exporting countries, bilateral donors, multilateral financial institutions, the extractive industry, private financial institutions, and civil society have made promising steps towards addressing the resource curse in recent years. For example, the World Bank's International Finance Corporation (IFC) stipulates the social, environmental, and governance requirements for all World Bank investments in private-sector projects.

In 2011, the IFC made revisions that included strong improvements mandating contract and revenue transparency. However, the IFC rules do not affect bilateral loans. This loophole permits donor countries to continue lending money to companies that collude with unsavoury officials while keeping the terms of billion-dollar oil and mining deals secret from the public. In 2010, the US Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act. It requires extractive industries that are listed on the US stock exchange to make public the type and amount of payments they make to governments. The European Commission also recently proposed transparency requirements that are in some respects stricter than Dodd-Frank's. Perhaps the one initiative that has made very significant impact around the world, is the Extractive Industry Transparency Initiative (EITI) of which The Nigerian Extractive Industry Transparency Initiative (NEITI) is a subset.

The Nigerian Extractive Industry Transparency Initiative

EITI was inaugurated in 2003 after the former UK Prime Minister, Tony Blair, announced plans for its founding at a World Summit for Sustainable Development in Johannesburg in September 2002. EITI was built on the premise that companies in the extractive industries should disclose the tax, dividend and royalty payments made to host governments, and that governments should disclose what they receive. This initiative developed a method for checking and reconciling company payments and government revenues. The process is implemented by governments, for whom the potential benefits include improvements in the revenue collection process, a

demonstration of commitment to revenue transparency reforms and anti-corruption programme, which would cumulatively boost foreign investment. Aaronson (2011)⁴⁰ defined EITI as a public-private partnership intended to help resource-rich countries achieve transparency and accountability in the management of revenues. Similar initiatives to EITI have evolved over the years to find solutions for an array of problems of resource-rich countries. They include the Public Accountability Mechanisms (PAM), Natural Resources Charter (NRC) and the Kimberly Process Certification Scheme (KPCS). They tried to enhance the role of countries' laws and practices in improving transparency and accountability of public services (World Bank).⁴¹ Another international initiative, which is much closer in scope to the EITI, is Publish What You Pay Campaign (PWYP), launched in 2002 by a coalition of NGOs that reacted to the international community quest to end the mismanagement of resource revenues in several African countries.

Their approach to the issue was to make it compulsory for all extractive industry investors to make public their taxes, royalties and other payments before their shares could be listed on any international stock exchange. However, this approach had two major shortcomings: the use of confidentiality agreements signed by foreign investors at the insistence of host countries was not addressed and placing the shares of defaulting companies at risk put publicly traded extractive companies at a disadvantage compared to state-owned or privately held companies. EITI was endorsed by international bodies such as the UN General Assembly, the G8, the AU, the EU, and major development banks, indicating the level of acceptance of the initiative. The EITI has succeeded more than these other initiatives because becoming a member country is voluntary and imposes no punitive measures for defaulting except suspension; it also enhances transparency in the management of revenue in a simplified manner (World Bank 2009)⁴² The Extractive Industries Transparency Initiative (EITI) is a global initiative that aims to increase transparency and improve governance in extractive industries by collecting and reconciling revenue information from the major actors in the industry, namely, companies and governments.

The EITI criteria which forms the platform on the basis it helps challenge the resource

40 Aaronson, S.A. (2011) Limited Partnership: Business, Government, Civil Society and the Public in the Extractive Industries Transparency Initiative. *Public Administration and Development Journal* (31), 50-63

41 World Bank (2011c) Worldwide Governance Indicators. <http://info.worldbank.org/governance/wgi/index.asp> [15 August 2013]).

42 World Bank (2009) Challenges of implementing EITI. Washington D.C: World Bank.

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The Nigerian Extractive Industry Transparency Initiative

EITI was inaugurated in 2003 after the former UK Prime Minister, Tony Blair, announced plans for its founding at a World Summit for Sustainable Development in Johannesburg in September 2002. EITI was built on the premise that companies in the extractive industries should disclose the tax, dividend and royalty payments made to host governments, and that governments should disclose what they receive. This initiative developed a method for checking and reconciling company payments and government revenues. The process is implemented by governments, for whom the potential benefits include improvements in the revenue collection process, a

demonstration of commitment to revenue transparency reforms and anti-corruption programme, which would cumulatively boost foreign investment. Aaronson (2011)⁴⁰ defined EITI as a public-private partnership intended to help resource-rich countries achieve transparency and accountability in the management of revenues. Similar initiatives to EITI have evolved over the years to find solutions for an array of problems of resource-rich countries. They include the Public Accountability Mechanisms (PAM), Natural Resources Charter (NRC) and the Kimberly Process Certification Scheme (KPCS). They tried to enhance the role of countries' laws and practices in improving transparency and accountability of public services (World Bank).⁴¹ Another international initiative, which is much closer in scope to the EITI, is Publish What You Pay Campaign (PWYP), launched in 2002 by a coalition of NGOs that reacted to the international community quest to end the mismanagement of resource revenues in several African countries.

Their approach to the issue was to make it compulsory for all extractive industry investors to make public their taxes, royalties and other payments before their shares could be listed on any international stock exchange. However, this approach had two major shortcomings: the use of confidentiality agreements signed by foreign investors at the insistence of host countries was not addressed and placing the shares of defaulting companies at risk put publicly traded extractive companies at a disadvantage compared to state-owned or privately held companies. EITI was endorsed by international bodies such as the UN General Assembly, the G8, the AU, the EU, and major development banks, indicating the level of acceptance of the initiative. The EITI has succeeded more than these other initiatives because becoming a member country is voluntary and imposes no punitive measures for defaulting except suspension; it also enhances transparency in the management of revenue in a simplified manner (World Bank 2009)⁴² The Extractive Industries Transparency Initiative (EITI) is a global initiative that aims to increase transparency and improve governance in extractive industries by collecting and reconciling revenue information from the major actors in the industry, namely, companies and governments.

The EITI criteria which forms the platform on the basis it helps challenge the resource

40 Aaronson, S.A. (2011) Limited Partnership: Business, Government, Civil Society and the Public in the Extractive Industries Transparency Initiative. *Public Administration and Development Journal* (31), 50-63

41 World Bank (2011c) Worldwide Governance Indicators. <http://info.worldbank.org/governance/wgi/index.asp> [15 August 2013]).

42 World Bank (2009) Challenges of implementing EITI. Washington D.C: World Bank.

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curse is as follows:

1. Regular publication of all material oil, gas and mining payments by companies to governments (“payments”) and all material revenues received by governments from oil, gas and mining companies (“revenues”) to a wide audience in a publicly accessible, comprehensive and comprehensible manner.
2. Where such audits do not already exist, payments and revenues are the subject of a credible, independent audit, applying international auditing standards.
3. Payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and with publication of the administrator’s opinion, regarding that reconciliation including discrepancies, should any be identified.
4. This approach is extended to all companies, including state-owned enterprises.
5. Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process and contributes towards public debate.
6. A public, financially sustainable work plan for all the above is developed by the host government, with assistance from the international financial institutions where required, including measurable targets, a timetable for implementation, and an assessment of potential capacity constraints.

The extractive industry produces large streams of income that could transform the lives of citizens of a country blessed with natural resources. EITI helps to create an avenue for citizens to know the amount of money that is being paid by companies to (and received by) government agencies (Uzoigwe 2011).⁴³ Apart from that, the following are other socio-economic benefits that accrue to a country that implements EITI (World Bank 2008).⁴⁴

The decision of the Federal government to sign up to the Extractive Industries Transparency Initiative (EITI) in 2003 was thus informed by the need for enhanced information, transparency and accountability on revenue flows in the sector.

- a. **Demonstrating an obligation to be transparent:** A country that is listed as an “EITI compliant or implementing country” is meeting a series of internationally agreed criteria which is a signal both domestically and internationally that a country’s government is committed to high standard of transparency on payment and receipt of extractive industry revenues. This can help attract foreign direct investments.
- b. **Increased revenue:** The process of verifying the amount paid by (received from)

43 Uzoigwe, M.U. (2011). Exploring Multi-Stakeholders Initiatives for Natural Resource Governance. Unpublished PhD thesis. Birmingham: University of Birmingham.

44 World Bank and EITI (2008). Implementing the Extractive Industries Transparency Initiative: Applying early Lessons from the Field. Washington D.C: World Bank

extractive companies in the EITI audit, could lead to the recovery of company underpayments and thereby increase revenue collected by government. An effective EITI programme also makes corrupt practices difficult to hide.

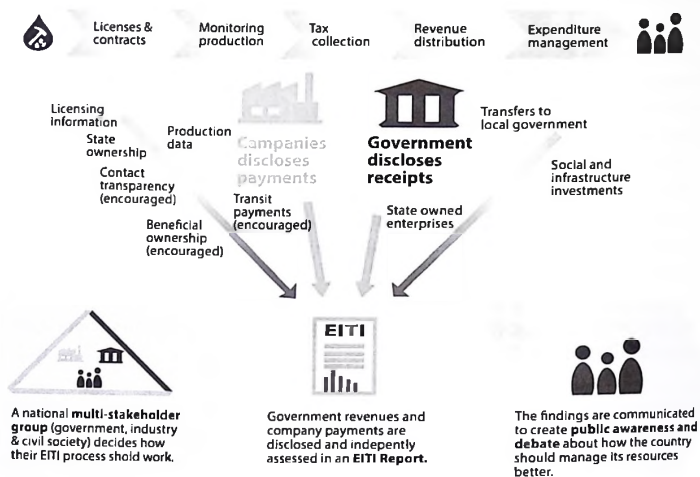
- c. **Provides a platform for collaboration:** As part of the EITI framework, governments, companies, and civil societies work together. This can create uniformity and a platform for the development of common solutions to problems, which reduces the risk of internal conflict.
- d. **Corporate risk management:** Transparency over payments to government can help reduce risks to extractive companies. By declaring payments to government, a company is also reporting the benefits from its operations, which can help place responsibility on government for the long-term sustainable development of the sector and the economy.

The Impact of the Extractive Industries Transparency Initiative Implementation on the Nigerian Petroleum Revenue Flows

Over the years, majority of Nigerians have no idea how much money companies pay to their government and how much government receives from the companies for doing business in the extractive sector. These payments include royalties, signature bonuses, profit tax etc. In most cases, even some of those in government have little or no information of what companies pay or are expected to pay. They may also not know if what they received is what they ought to receive from the companies. As a result of this huge information gap, it has been difficult for an average Nigerian to explain why revenue from abundant natural resources has not translated into sustainable development. Poor information flow in the extractive sector in Nigeria is believed to be one of the reasons for poor social infrastructure, poverty, corruption, mistrust and series of social conflicts. The decision of the Federal government to sign up to the Extractive Industries Transparency Initiative (EITI) in 2003 was thus informed by the need for enhanced information, transparency and accountability on revenue flows in the sector. NEITI is the Nigerian arm of the global EITI established primarily to enthrone transparency and accountability in the management of payments made by extractive industries to government, and revenues received it and other statutory recipients. The NEITI Act of 2007 provided legal backing to NEITI to implement EITI principles and objectives in the Nigerian Extractive sector.

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Chart 12.1: The EITI Revenue Reconciliation and Dissemination Process



Source: *Creating a Culture of Transparency and Revenue Reporting in Trinidad and Tobago 2014*

The primary objectives of the NEITI are:

- To ensure due process and transparency in the payments made by all Extractive Industry Companies to the Federal Government and statutory recipients.
- To monitor and ensure accountability in the revenue receipts of the Federal Government from Extractive Industry Companies.
- To eliminate all forms of corrupt practices in the determination, payment, receipts and posting of revenue accruing to the Federal Government from Extractive Industry Companies.
- To ensure transparency and accountability by government in the application of resources from payments received from Extractive Industry Companies.
- To ensure conformity with the principles of Extractive Industries Transparency Initiative.
- The revenue reconciled, the reconciliation process and report communication and dissemination process are set out in Chart 12.1.

EITI 'Core' and Nigeria's EITI 'Plus' Audit Report: The standard EITI audit is the Financial Audit which focuses on reconciling companies payments to government revenues. The report produced from this audit is the "EITI Core or Basic report". Countries such as Azerbaijan and Ghana have since the implementation of EITI produced only the EITI Core reports.⁴⁵

Chart 12.2: EITI 'Core' Reconciliation Process



Source: *Creating a Culture of Transparency and Revenue Reporting in Trinidad and Tobago 2014*

However, Nigeria in its entire audit from 1999 to 2011 has gone beyond the statutory financial audit to implement the "Process audit" and "Physical audit" because of the public perception that the sector involved financial and physical theft of resource extracted. Physical audit involves a trail of the resources from extraction through refinement and exportation; and "Process audit" which reviews the entire process through which resource revenue is paid in the extractive industry. The reports produced from these two audits are called the EITI Plus report. Nigeria was one of the first countries in the world to take practical steps to implement the EITI and has produced detailed reports, covering the Oil and Gas sector from 1999-2008. Nigeria has gone well above the reconciliation and reporting of financial flows and produced a report, covering production and production entitlements, a validation of the calculations underlying the flows and certain processes applied in the management of key elements in the sector.

Nigeria in its entire audit from 1999 to 2011 has gone beyond the statutory financial audit to implement the "Process audit" and "Physical audit" because of the public perception that the sector involved financial and physical theft of resource extracted.

⁴⁵ Collier, P. and Hoeffler A. (2009). Testing the Neucan Agenda: Democracy in Resource-Rich societies. *European Economic Review* 53, 293-308 Collier 2007

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NEITI carries out three main categories of audit as follows:

Financial audit

This type of audit reconciles financial flows following the chain of custody for finances

Nigeria has gone well above the reconciliation and reporting of financial flows and produced a report, covering production and production entitlements, a validation of the calculations underlying the flows and certain processes applied in the management of key elements in the sector.

derived from the sector over a period of time with a view to establishing what was paid and what was received and identify specific agencies that can be held accountable for any discrepancies. For instance, financial audit reconciles company payments with receipts of the government's banker, the Central Bank of Nigeria, and with the records of the Federal Inland Revenue Service, (FIRS) the department responsible for petroleum profit tax (PPT) assessments, and the Department of Petroleum Resources (DPR) which is responsible for the monitoring, collection of royalties and production data used in the calculation of petroleum profit tax (PPT). Then it samples some companies' tax returns and royalty statements to verify the calculations, and the assessments of FIRS and DPR.

Physical audit

The physical audit tracks the sector's oil and gas and refined product flows. It checks if the extracted volumes are accurately reported and if each company's reported production tallies with the numbers the government uses for tax and royalty calculations. This takes the audit into some highly technical areas, featuring metering, temperature and pressure measurements, as well as the more controversial area of oil theft.

Process audit

Process audit examines how key agencies run the business. It explores how the regulator auctions and sells oil blocks. For instance, how does DPR conduct upstream licensing rounds? It assesses whether NNPC's Crude Oil Marketing Department (COMD) prices the government's share of equity crude accurately, and how and why other companies are contracted to export this crude. The audit also examines NNPC's upstream division, the National Petroleum Investment Management.

The Nigerian oil and gas industry, which used to be very opaque, has largely been opened up and made much more transparent in their dealings

It outlines some of the interesting questions that the 10 years of reports have answered such as: what type of revenue does the government receive from the sector, who pays these revenues and how large are they? How large were the discrepancies between company reported payments and government-reported receipts of payments? What processes

were applied by the parties in making payments and carrying out revenue activities? How robust were these processes? What major problems and challenges in the sector have the reports discovered? How large are the estimated losses in revenue as a result of these problems and challenges? How financially dependent is the government on the sector? And most importantly: How has this information changed over time since the audits commenced in 1999? And how has the weak processes improved since they were highlighted by the first audit? Impact of NEITI and the audits have been very positive as the achievements listed below shows:

- a. NEITI has so far conducted four audits: 1999 – 2004, 2005 and 2006 – 2008, 2009 – 2011 while 2012 – 2013 audits have been commissioned and are currently in progress.
- b. The Nigerian oil and gas industry, which used to be very opaque, has largely been opened up and made much more transparent in their dealings
- c. The data provided by NEITI audits are now major tools used by civil society organisations and other stakeholders in making inputs to Government's planning and budgetary process.
- d. Because of NEITI audits, there is growing public awareness about revenue flows in the extractive sector which were earlier treated as information reserved for a privileged few.

NEITI focus on revenue transparency: The three key types of revenue transparency that revolves around the full natural resource value chain are Contract Transparency, Revenue Transparency, and Expenditure Transparency⁴⁶. However, the EITI recognises natural resource revenue transparency as an 'essential and first step for focus in achieving overall resource transparency'. While its supporters see this narrow and specific emphasis to be one of the key elements of EITI, Goldwyn (2008) condemns the focus of EITI, arguing that transparency can only be achieved if the various steps of resource revenue transparency are duly followed. Goldwyn (2008:24) recognises that: "Unless the principal transactions that generate the figures, which are now reconciled by EITI are examined, these payments and revenues are exposed to errors and/or manipulation due to corruption"⁴⁷. Likewise, Durnev and Guriev 2009⁴⁸ noted that during the formation of EITI, revenue transparency was chosen as the 'Best Alternative to no Agreement' because while contract transparency encapsulates huge effects for business, government, on the other hand, are also concerned about expenditure transparency because they would be held to account for it. Therefore,

46 Rosenblum and Maples (2009). Rosenblum and Maples - Contracts Confidential: Ending Secret Deals in the Extractive ... New York, United States of America: Revenue Watch Institute

47 Goldwyn, D. L. (Ed.) (2008). Drilling Down: The Civil Society Guide to Extractive Industry Revenues and the EITI Washington DC: Revenue Watch

48 A Durnev, R Morck, B Yeung, P Zarowin. (2009). Journal of Accounting. Journal of International Business Studies 40 (9), 1533-1562, 35.

the scope of EITI was narrowed to revenue transparency only because it appears to have a lower implication for the two key actors in revenue management.

Challenges to achieving resource revenue transparency: Resource Revenue Transparency (RRT) has been considered a key element of good governance by EITI and has become the theme of the initiative. Though resource transparency has opportunities, there are also challenges in its usefulness in addressing global issues such as the 'Resource Curse'.⁴⁹ The ability for citizens to utilise the information to demand accountability in resource revenue is a key element to the success of transparency. Hence, the objective of RRT, especially in countries where the efficiency standard of public institutions are low, could never be achieved. For instance, Besley (2006)⁵⁰ believes that procedures such as freedom of the press and of information, elections free from corruption, and the involvement of citizens in governance process, are essential in achieving transparency. Secondly, the level and amount of disclosure considered material in achieving RRT is difficult to determine. Some levels of openness and disclosure could be dangerous for key stakeholders while governments might find some information disclosure unwelcoming to the public or crucial to the effectiveness of certain policies. Sometimes, it is also thought that because there is an element of transparency, citizens are not adequately driven to demand account of how their taxes are spent (Collier 2007:46).⁵¹

This implies that even when transparency put the information in the public domain, citizens may still lack the motivation to follow up the result of revenue transparency

Nigeria, for example, has joined EITI, yet the country is still widely viewed as corrupt by its people, according to World Bank indicators. Taking the step from transparency to actual accountability requires a civil society with the skills and training for effective monitoring.

hence the objective of revenue accountability may not be achieved. This raises further question on the position of citizens and institutions in reacting appropriately to the much needed transparency in resource revenue management. Transparency alone, however, is not sufficient. Nigeria, for example, has joined EITI, yet the country is still widely viewed as corrupt by its people, according to World Bank indicators. Taking the step from transparency to actual accountability requires a civil society with the skills and training for effective monitoring. With resource curse, it sounds almost as if the grim pattern of development were inevitable. But is it the inevitable fate of countries rich in natural resources to always fare worse than other

49 Florini, A. (2008) Making Transparency Work. *Global Environmental Politics* 8 (2) 14-16.

50 Besley, T. (2006) *Principled Agents: The Political Economy of Good Government*. Oxford: Oxford University Press

51 Collier, P. (2007) *Managing Commodity Booms: Lessons of International Experience* Oxford: University of Oxford.

states? Would the people in Nigeria or Angola be better off if there were no natural resources in those countries? Or does their situation --the fact that these states don't prosper --have more to do with the legacy of slavery, colonialism or something else?

In order to begin to unpack these and make progress, focus should be targeted at the following two action⁵². Firstly, develop a mechanism for providing access to the services of skilled negotiators. Better outcomes could arise for countries if they could draw on the skills of professional negotiators with extensive experience in the industry. Lack of access to such negotiators is in part due to a financing problem. This could be resolved through arrangements that bring together a pool of experts in negotiation that are remunerated according to fair standards from a fund that receives reimbursement only once earnings accrue. Secondly, enforce stricter standards on multinationals. Foreign resource companies, working in developing countries should be subject to the same environmental and ethical standards they face at home. To ensure high standards, there should be both individual and corporate accountability. The international community needs to make it easier for producer states to collect damages from multinationals — which often have few assets in the countries where they inflict the damage. This may mean piercing the corporate veil: allowing a parent company that owns more than a 20% share in a mining company that has damaged the environment to be sued for the damage inflicted will provide strong incentives for it to exercise oversight. Limited liability was introduced to increase economic efficiency, not to be a shield against bad behaviour. Firms (and their agents) that violate environmental standards or engage in corrupt practices should be liable to criminal prosecution, with a full agreement on extradition for violations of such acts. In all cases, action in the home country of the multinational should be facilitated, to entail legal reforms that would permit going after firms across borders. There is also need for concrete domestic action along the following line:

Limited liability was introduced to increase economic efficiency, not to be a shield against bad behaviour. Firms (and their agents) that violate environmental standards or engage in corrupt practices should be liable to criminal prosecution, with a full agreement on extradition for violations of such acts.

1. Require transparency of negotiated outcomes: Although having domestic constituencies evaluate contracts during or after negotiations may seem like a constraint on government negotiators, it is a constraint that can in fact increase the bargaining power of domestic negotiators and help produce a better and more durable deal; it is essential if corruption is to be avoided. There is no reason for contracts to be secret.

⁵² Macartan Humphreys. (2009). Recommendations on the Management of Natural Resources [from Escaping the Resource Curse]

2. Use bonding to prevent environmental damage: To mitigate the problem of corporations saddling countries with large environmental costs, governments should require that corporations post bonds in anticipation of future clean-up costs. This becomes more feasible as it becomes easier to ascertain in advance the size of possible clean-up costs. We now know more about the risks of some of the failings than we knew a quarter century ago, and advances in technology have enabled better monitoring of pollution and possibly even lower costs in pollution abatement.

3. Stabilise expenditures: Many resource-rich countries suffer greatly from the boom bust pattern. Resource prices are volatile; but when incomes are high, international lenders are will-

To ensure sustained growth as natural resources get depleted, earnings have to be invested in financial, physical, and human capital. Investing in alternative export sectors, in agriculture, and in education can help sustain growth and diversify risk

ing to lend them more, so they even spend beyond their ample current flows, getting increasingly in debt. Money spent in this way is often poorly spent; and there are huge economic costs to such macroeconomic volatility. Some countries have found it desirable to create stabilisation funds, credibly committing themselves to steadier patterns of expenditure. But if such funds are to be effective, incentives need to be built so that political leaders are not tempted to raid them. In addition, at the international level, accounting frameworks have to be appropriately adapted, so that countries that spend out of their stabilisation funds in a period of economic downturn are not penalised. Rainy day funds are designed to be spent when there is a rainy day.

4. Use earnings for investment rather than consumption to avoid Dutch Disease problems: Dutch disease effects arise largely from the rapid conversion of resource wealth (in the form of stocks of assets) into domestically produced consumption or investment goods. The effects of this are adverse impacts on non-oil exporting sectors, lower growth, and great readjustment costs once production stops. One solution is to rely on taxation for mobilising domestic resources. More generally, to ensure sustained growth as natural resources get depleted, earnings have to be invested in financial, physical, and human capital. Investing in alternative export sectors, including agriculture, and then education can help sustain growth and diversify risk. It may be desirable, to pace investment inside the country, holding some financial assets abroad.

5. Take steps to avoid inequities: While there is in principle, more scope for pursuing aggressive equalitarian policies in resource-dependent countries (without normal adverse effects on incentives), we have seen that resource rich countries are often characterised by great inequality. The political crises associated with oil wealth can likely be mitigated by ensuring a fair distribution of benefits within a country. The decentralisation of revenue

collection to subnational entities, however, can often result in an exacerbation of resource curse effects. The capacity of sub-national entities to manage extreme volatility of income streams and to ensure oversight is often weaker than that of central governments. Thus it is better in most cases to centralise revenue collection and the inter-temporal smoothing of expenditures, while allowing for the possibility of decentralising expenditure to sub-national bodies. There remains, of course, the highly contentious issues of how to divide proceeds. Producing regions in particular should not be faced with the environmental or other damages that may accompany production without seeing evidence of the benefits that derive from the production. In all cases, a first step to confronting the distributive repercussions of oil wealth is to collect and disseminate better information on the impact of oil and gas production on patterns of income distribution within producing countries.

6. Strengthen state-society linkages: As oil revenues flow in, multiple forces act to delink governing elites from their populations. They no longer, for instance, require revenues from taxes on their citizens. These dynamics can be countered politically by expanding the scope for broad-based participation in decision-making. Broad based participation in oversight mechanisms can increase policy predictability and reduce the incentives and scope for misuse of revenues. This oversight can be strengthened by integrating the management of oil revenues with regular budgetary processes, and – contrary to the trends we observe in many countries – by continuing to rely on classic forms of taxation, such as income taxation, rather than relying exclusively on oil and gas revenues. The recommendation⁵³ that flows from the above is the need to continue to strengthen NEITI to enable an aggressive and actionable oversight on the Oil and Gas sector so that transparency is never again blurred. However, articulate fiscal policy is required to complete transparency in the fight against resource curse. High oil prices and the discovery of new reserves offer the potential for the much needed revenue in many developing countries – revenues that should help promote economic and social development, build human capital, and reduce infrastructure gaps in resource-rich countries. It is important to manage fiscal policy to achieve those goals while avoiding previous pitfalls that aggravate resource curse. The design of fiscal policy frameworks for resource-rich developing countries is beset by trade-offs and tensions. In fact, the volatility, uncertainty, and exhaustibility of revenues earned from resources have to be taken into account when formulating a scaling up of public spending, which should concretely focus on the following questions:

- How to ensure short-term macroeconomic and fiscal stability?
- How to achieve long-term fiscal sustainability and adequate savings for future generations while allocating sufficient resources to meet development needs?
- How to address absorption capacity constraints that could limit the quality and

⁵³ Macartan Humphreys. (2009). Recommendations on the Management of Natural Resources [from Escaping the Resource Curse].

effectiveness of scaled-up spending?

These are important questions that many politicians, policymakers, and economists in Nigeria face. On the one hand, there is the need to avoid rigid policy formulations that would force a country like Nigeria with substantial development needs to keep the consumption of its resource wealth at a constant level over time. It should be able to borrow if needs be, save when income is high, and lower the rate of saving as income tapers off. The approach is a specific option to effectively anchor fiscal policy allowing for a sustainable scaling up of spending in the context of increased resource revenue in a way that there is not a "one size fits all" approach as some propose across board. This is because each country has its own set of economic and institutional circumstances to balance, and this varies from resource revenue dependency, how long the reserves will last, and the country's development needs. Furthermore, the large volatility of revenues earned from natural resources and the difficulty it takes to predict those swings would call for prudence and gradual scaling up of spending and for flexible fiscal rules to adapt to new information and changing circumstances. Aghimien in a study to review the impact of the EITI audit on the financial flows of the Federal Government of Nigeria, concluded that since Nigeria started implementing EITI in 2004, there has been very little improvement and sometimes even a fall in its Corruption Perception Index scores, which reinforces the point made by Sachs in 2007, that transparency alone is not enough to curb the overall effect of corruption. The slow rise in Nigeria CPI score could be that the perception of corruption is way beyond the Oil and Gas sector to the law enforcement agencies, politicians, national assembly and the judiciary. Therefore, EITI alone cannot change the perception as it looks at half of the picture of revenue and not expenditure transparency. The recommendation was made that expenditure transparency audits need to be carried out along with revenue transparency audit for added effect.⁵⁴ In summary, therefore, the best weapon to fight and conquer the resource curse is to:

Ensures that revenues generated from oil, gas and solid mineral resources aid development and better living standard for the people.

- a. Strengthens accountability and good governance.
- b. Carry out revenue and expenditure transparency audit
- c. Promote greater economic and political stability and enhance the prevention of conflicts based around the Oil, Gas and Mining sectors.
- d. Strengthen budget process, monitoring and oversight.
- e. Reinforce broader anti-corruption and good governance agenda.
- f. Build citizens trust in public institutions.
- g. Reduce social conflict and suspicion; through availability of information on revenue payments and receipts to make governments more accountable.

Knowledge of all that has been said abounds but requires action otherwise nothing will change.

54 Aghimien I. (2013). The Impact of the Extractive Industries Transparency Initiative on the Nigerian Petroleum Revenue Flows. An unpublished dissertation – Coventry University.

CHAPTER THIRTEEN

Return to go

"The trouble with Nigeria is simply and squarely a failure of leadership. There is nothing basically wrong with the Nigerian character. There is nothing wrong with the Nigerian land or climate or water or air or anything else."

– Chinua Achebe

- A red card!
- Turn knowledge into positive action
- Restore wisdom of the crowd
- Subverting the people's will
- Go on then count the crowd
- Grow up, ditch the feeding bottle
- Influence of character
- The promised land and a resilient people
- Nigeria can still rise like a Phoenix from the ashes

A red card!

Perhaps the most tragic of Nigeria's problems is its failure to reach its economic potential. Despite its substantial natural and human resources, Nigeria remains badly underdeveloped. At an average population growth rate of over 2.5% per annum, the population will double every 24 years such that by the middle of the 21st century, she could have over 300 million inhabitants, far more than the current population of United States or the former Soviet Union and roughly equal to the total African population today. Such population pressures are likely to make Nigeria even poorer, as it is forced to spread its already limited resources even further and thinly. With government's lukewarm attitude to population control, the combination of poor historical economic growth and the ballooning population have translated into making Nigeria not only a country of stunted economic growth, but one riddled with abject poverty, placing Nigeria in the "Low Human Development" category, with a rank-

Our hospitals, which were deplorably 'mere consulting clinics', are now places where people go to die rather than get cured.

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ing after over 50 years of independence in 2013 at 153 out of the 186 countries accessed globally. This is a deplorable state of affairs, given the abundant natural and human resources that the country possesses. Sadly, Nigeria's HDI is low and has not improved even

Nigerians have unfortunately learnt how to cope with unemployment, abject poverty, decayed infrastructure, poor health services and darkness, due to the erratic power supply and even death at the awkward premature age of 52.

in the present democratic dispensation that commenced in 1999. The government has failed woefully in delivering democratic dividends such that the resilience of the people is being stretched beyond breaking point – an unpleasant situation the government must do all in its power to curb. But that is in itself a big challenge, given that the educational system has significantly deteriorated. Even worse, our hospitals, which were deplorably “mere consulting clinics” (like the late General, Sanni Abacha called them when he announced the Babaginda coup on 27th August 1985, to overthrow Major General Muhammadu Buhari) are now places where people go to die rather than get cured.

The infrastructures also, have depreciated. Venture out of the highway in any state capital, including Lagos, the centre of commerce, and your heart cannot but bleed. Be bold to drive on any inter-state road except a few and you will think that you are travelling through a war-torn country.

Today's young men are either uneducated or half-baked and clinch worthless certificates under their armpits. As a consequence, they either become unemployed or unemployable as they cannot even draft a sensible curriculum vitae or an application letter for a job. Without employment, they take to roaming the streets and embark on crime as a means of survival. Apart from becoming tools in the hands of mischief makers, they also constitute security challenge to the nation. They become the kidnappers that prowl the streets in the South, holding innocent people for huge ransoms, the Boko Haram in the Northeast, killing and maiming innocent citizens or cattle rustlers, raiding villages in the North central, killing villagers in hundreds and carting away livestock and other valuables. Nigerians know that public schools are sub-standard, the national road network is poor and the erratic power supply is in retrogression. Yet no nation in this technological age can develop without constant energy supply. A total of 112 million Nigerians are also relatively poor, and 99.5 million live on less than a dollar per day. The Nigerian economy grew strongly at an average annual growth rate in excess of 6.6% in the last six years, making the country the 5th fastest growing economy in the world in 2010, at 7.87% real growth rate.¹ Nevertheless, unemployment has remained one of Nigeria's most challenging socio-economic burdens.

1 National Bureau of Statistics

The poverty situation is underpinned by the high national unemployment rate – estimated at 23.90% in 2011 as against 21.10% in 2010 and 19.70% in 2009. In order to reduce poverty and unemployment, economic progress must outpace demographic expansion in a progressive manner. But the inability of economic expansion and employment-generating interventions to catch up with new entrants into the job market every year, pose a major challenge to poverty reduction in the country. According to the Next Generation Nigeria Task Force report, Nigeria will need to create 15 million new jobs over the next 10 years to make a dent on the unemployment level.² The jury is out for how government has trampled on the social contract with the people, but the referee's yellow card has been given and the red card is half way out of his breast pocket!

Nigerians have unfortunately learnt how to cope with unemployment, abject poverty, decayed infrastructure, poor health services and darkness, due to the erratic power supply and even death at the awkward premature age of 52. Life in Nigeria is brutish and short. Multi-ethnicity, which should underlie the nation's diversity and be leveraged upon for progress, has instead brought suspicion, hate, massacres and fear amongst all the people, irrespective of their tribe or tongue. Ethnic differences and the conflict they engender, plague many countries, especially in the Third World. In Nigeria, no other political force comes close to it in importance. Ethnicity, more than anything else, structures the pattern of living in the country --where people live, what they believe in, how they conduct their lives, how jobs are allocated, and whom they support politically. And, more than any other factor, ethnicity has made democratic governance difficult and led to the coups of 1966, 1983, 1993, countless riots, and the civil war of 1967-1970.

Consequent on this single issue of ethnicity, many parts of the country are today convulsed in inter and intra-ethnic conflicts, leading to loss of lives as well as the destruction of private and public property. The gun is gradually replacing the rule of law in the country, with the inexorable march to perdition, proving very difficult to halt. The tragic bloodbath in the North-central and North east states has reached lamentable heights in 2014. The Congregation of the People of Tradition for Proselytism and Jihad (Jama'atu Ahlis Sunna Lidda'awati Wal-Jihad) known by its Hausa name *Boko Haram* discussed earlier has wreaked havoc on the North East. While *Boko Haram* terrorists continue their atrocities –particularly in the north east, Kaduna and Kano – bloodletting, arson, brigandage, rape and impunity have become the order of the day in large parts of the North central region, inflicting misery on the people and economic destruction. Cattle rustlers and herdsmen continue to pillage villages and slaughter their inhabitants, joined often by ethnic militias and mercenaries disguised as herdsmen. Everywhere, Fulani herdsmen are fingered as prime perpetrators of pogroms and mindless slaughterers of

2 (2010). The Next Generation Nigeria Task Force Report. British Council Nigeria.

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the innocent, with local youths equally staging bloody reprisals. There seems to be a rapid descent into anarchy, fuelled by the world's highest level of poverty, health deprivation, unemployment and vast illiteracy. This descent into the abyss needs to be stopped before the situation gets out of hands.

The above social and economic challenges of Nigeria now being compounded by terrorism and ethnic battles, have led to the declaration by many, that Nigeria is a failed or failing state. This could not be farther than what the situation truly is. Nigeria, is economically buoyant and is still socially intact. The bond between the Nigerian people is, unbelievably,

There are basically three problems that confront the Nigerian nation state. The first is corruption, the second is corruption and the third is corruption.

stronger than ever. Nigeria is not failing and will never fail. Those, who doubt this should study the profile of Somalia, Syria, or Zimbabwe. Those, who capitalise on the havoc that is being wreaked on the nation by *Boko Haram*, to support their failing state argument should examine what ISIS (Islamic State in Iraq and Greater Syria), a predominantly Sunni jihadist group, has done in Iraq, as they sought to sow civil unrest in that country and Syria with the aim of establishing a caliphate—a single, transnational Islamic state based on Sharia. The group emerged from the ashes of the U.S.-led

invasion to oust Saddam Hussein (as Al-Qaeda in Iraq, AQI), and the insurgency that followed and provided it with the fertile ground to wage a guerrilla war against the coalition forces and their domestic allies.³ This was the intension of the *Boko Haram* Sect, but it was made futile when President Goodluck Jonathan on Tuesday 14th May, 2013 declared a state of emergency in the three Northern states – Borno, Yobe and Adamawa – to underscore his administration's determination to confront the growing incidence of violence and insecurity in the North east, and the Nigerian military has risen up to the occasion.

All that has been said above is not to underestimate the challenges facing the country. But they are not as gargantuan as people perceive them to be. There are basically three problems

People gravitate towards laziness and crime, which are what the nation rewards, instead of hard work and honesty.

that confront the Nigerian nation state. The first is corruption, the second is corruption and the third is corruption. Corruption of all types and at all levels is the bane of the nation. Some have tried to frame the challenges that face Nigeria differently by dressing them up as three devils in one – these being corruption; poor political structure and system of government; and poor leadership. It is tempting to see the Nigerian challenge in this narrow prism. When viewed deeply, the three, if well

3 <http://www.cfr.org/iraq/islamic-state-iraq-greater-syria/p14811?cid=ppc-Google-grant-isis-background&gclid=CJSbtbbxv78CFYbMtAod8QEAIQ>

analysed and profiled, will lead one down the narrow road to the corruption dilemma. Corruption is responsible for election rigging and the overbearing influence of godfathers that obstruct Nigerians from freely choosing their leaders. Poor leadership makes it difficult to look beyond history into the future and boldly restructure the country. It is responsible for an expensive government, which does not guarantee value for money for the people and unfortunately, blocks a restructuring that will reduce the cost of federal and state administrations which would have made for more efficiency and effectiveness of government. This argument can be further stretched to explain why the reward and punishment structure has been skewed to reward failure and crime, and punish honesty, hard work and success are punished. The result of this inverse and pervert social value is that people gravitate towards laziness and crime, which are what the nation rewards, instead of hard work and honesty. As earlier examined, the resource control debate reveals that there is nothing altruistic about both sides of the argument other than people wanting to increase their take home for syphoning into private pockets instead of working hard to create wealth for all.

The corruption challenge is an elite disease. The country is confronted by issues that can easily be resolved if only the elites unite and have a fair consensus on how to address what confronts the nation. Nigeria is not confronted with state failure but gross failure of development, represented by the elite's insatiable appetite. This appetite is fed by class oppression and a kleptomaniac attitude in the face of failure to invest in institutions and infrastructure, while preserving colonialist privileges. This in turn has led to massive illiteracy and a semi-educated population that have been left by the elites to wallow in abject poverty. These destructive elements have been left to fester as a result of historical poor leadership which in and of itself, is linked to the same elites dwelling too much on the past and not being able to establish basic principles and agreement on issues that would enable a healthy evolution and the learning process rather than continuously sowing the seed of discord and violence. There is still complete disagreement amongst the leaders on how power should be shared in a reasonable manner that will create a sense of belonging for all and deliver dividends of democracy and progress for the people. The above is common street knowledge.

Nigerians are very patient people and equally good followers, even as successive leaders have let them down. They continue to hope for a better nation and a better tomorrow. They continue to fuel such hopes while peeping to see whether there is light at the end of the tunnel, however distant it may be. Regrettably, people have begun lately to ethnise the problems or see them as something of geographical or regional concern. They say, "Well, *Boko Haram* is a North east problem, so confine it there; kidnapping is a southern problem, let it stay there, while the cattle rustlers issue is a North central problem and should not concern us". This is a completely wrong attitude. The issues should not be addressed in that manner of thinking. Nigerians are all part of one body. If one

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part is unwell, the whole is unwell. These issues should be comprehensively analysed, as signals abound that the country is falling apart and urgent action is required by and from all, to rescue the nation and restore normalcy. It should be said and repeatedly too that

People forget that Nigeria is not the only country the “Almighty” is responsible for. He has given us all that we need to survive and excel just like our South Korea, Singapore, and Malaysia and Botswana brothers.

poverty and hunger do not know North, South, East or West. They are both caused by deprivation and an unwillingness or inability of the government and the elites to empower the people stimulate a good life for themselves. Deprivation in the midst of plenty is the damage corruption has wrought on the people. A good start is to bridge the gap between the vast knowledge of the problem the nation faces (which abides in all, even a 10-year old child) and the actions to positively change things for the better. Narrowing the knowing and doing gap should be the first resolve.

Turn knowledge into positive action

The failure to turn the vast knowledge of the Nigerian problem and its related solution to action is the reason Nigeria continues to go round in cycles, stumbling, fumbling and wobbling. This challenge is not peculiar to Nigeria. The ability or inability to turn knowledge into action is a general phenomenon that determines the success or failure of corporations and even nations. The inability to turn knowledge into action and its negative effect was widely discussed by Jeffrey Pfeffer and Robert. I. Sutton in their book “The Knowing-Doing Gap”⁴. They made the following very interesting points

Hope keeps the people going. Yet, hope is not a strategy.

- It is usually intriguing and puzzling that people obviously have good knowledge of what to do but fail to do those things.
- People of extensive knowledge almost invariably do not do things even remotely related to what they know, were taught or even talked about in the past, when they eventually found themselves in leadership roles.
- Knowing what to do is not enough to spur people to action. Also, being smart is not enough to turn knowledge into practice.
- Knowledge of what needs to be done frequently fails to result in action or behaviour consistent with that knowledge.
- The overriding challenge should, therefore, be about how to enhance performance by turning knowledge into actions consistent with that knowledge.

4 Jeffrey Pfeffer and Robert I Sutton. (1999).The knowing – Doing Gap. How Smart Companies Turn Knowledge into Action. Harvard Business School Press.

Having gone through the problems, it is clear that there is abundant knowledge of the challenges facing the country as represented by the numerous transformation agendas that are propagated in support of developmental plans and the national conferences that have been held in the past, but with the key decisions taken never implemented. The few policies that have been implemented by these transformation programmes and national conferences have turned out to be more retrogressive and self-serving. They have not created economic or political freedom, but entrenched the power and wealth of a small proportion of the elite class and concomitantly pauperised the masses. Over the years, the middle class has all but disappeared, and the number of those living below the poverty line have sky rocketed, despite the nation's acclaimed strong economic growth yearly. The progress that has been made is only extractive and not inclusive. Surprisingly, Nigeria boasts of some of the best brains in the world. Why does the nation allow successive governments to get away with this deception? Why do people just accept the status quo and individual and collective depreciation of fortunes, with equanimity and as their fate? Well, there are two reasons for this.

The issues that Nigeria was grappling with at Independence in October 1960 have unfortunately remained the same today...there is no challenge being faced by Nigeria today that has not been studied or discussed with recommendations on options for action.

Firstly, Nigerians live on hope. The vendor across the road will tell you that he will be president of Nigeria one day and live in Aso Rock. Hope keeps the people going. Yet, hope is not a strategy. The country is doomed as long as the people continue to live on baseless hope. Secondly, the Nigerian people are all so religious. They troop to churches and mosques to unpack their problems to 'Our Father in Heaven' – whatever name people choose to identify Him by does not really matter. What matters is that He is omnipresent and omnipotent and solves all the problems that are gathered at His feet. People forget that Nigeria is not the only country the "Almighty" is responsible for. He has given us all that we need to survive and excel just like our South Korea, Singapore, and Malaysia and Botswana brothers. If people choose to go to sleep, idle away, make no efforts, and decide not to hold the leaders accountable for their corrupt practices, but continue to call on the Almighty, He will keep on answering and saying, "My son or daughter, please go and do your best and come back as my best is assured. I cannot help you until you start to help yourself". Let's not get it wrong or misunderstand the idea. Hope is good. Prayer is even better, but just as hope is a high road to nowhere in the absence of a tangible strategy to achieve the set goal, so also it is said that prayers without work or effort are also as dead as a cold church rat!

Knowledge that is actually implemented, is much more likely to be acquired from learning by doing, than from learning by listening, or even thinking.

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Jeffrey Pfeffer and Robert I Sutton concluded that organisations that succeed in implementing their knowledge, reduce the Knowing-Doing gap, hence, always outperform those that are less successful at it. Other interesting elements of their study was that knowledge that is actually implemented, is much more likely to be acquired from learning by doing, than from learning by listening, or even thinking. As a result of this, they recommended that people, entities or companies should engage in more frequent thoughtful action and spend less time, contemplating and talking about problems, particularly as taking actions will generate experience from which people can learn. The benefits of the learning, which enhances cumulative outcome from continuous practice, are immense, and of course accrue only to those who engage in positive action. In the Nigerian context, therefore, the above is highly instructive.

It is a fact that over the years, Nigeria has failed in turning the knowledge of its problems and their related solutions into action. The military incursion into politics has prevented the people from learning by doing and in fact rudely obstructed cumulative experience and very frequently too. All the, conferences and seminars that are held regularly cannot make up for the lessons learned from actually practising. The inconsistency in government policies is also a stumbling block to learning by doing. Given the general logic that experience makes perfect, which underscores the fact stated above, that knowledge acquired

It has been shown very vividly that across the board, Nigeria, as an entity, does not learn lessons, nor does it implement the little learned ... the gap between knowing and doing is more important than the gap between ignorance and knowing.

from implementation is superior to knowledge acquired from learning, the negative import and impact of inaction become clearer and more worrisome. The benefits of action, together with the positive aspect of thoughtful action, logically arise from the cumulative experience of doing, rather than saying. The potency of lessons learned in shaping future actions obviously is lost if action is never taken. Furthermore, it has always been a wonder why majority of wise Nigerian intellectuals become foolish while in government, which in fact is consistent with Pfeffer's view that people of extensive knowledge almost invariably do not do things even remotely related to what they know, taught or talked about when they found themselves in leadership roles. This issue will be visited again as we wrap up these discussions.

An extensive review of the political and economic history of Nigeria has been carried out in order to evaluate the assertion that the knowledge of the problems that Nigeria face and their solutions abound. The colonial and post-Independence era have been reviewed to establish the extent to which the knowledge of the problems and proffered solutions have existed. To a considerable extent, known solutions have not been acted upon, as a

result of the inability to build broad consensus towards action. Tangible compromises either between the South and the North, rural and urban development or between the elitist class and the masses have not been struck, resulting in a widened Knowing-Doing gap with lopsided benefits and reward with its consequent underdevelopment and non-inclusive growth impact. This explains why the country has engaged in movements without motion, or what amounts to one step forward and two steps backward. It has been shown very vividly that across the board, Nigeria, as an entity, does not learn lessons, nor does it implement the little learned.

There is the argument that there may be differences in what organisations and nations know and that the quality and depth of the insight into problems and solutions is what propels action rather than their ability to translate that knowledge into action. If this were so, one would quickly conclude that those who translate knowledge into action have more knowledge than those who do not. However, Pfeffer and Sutton argue that the gap between knowing and doing is more important than the gap between ignorance and knowing. This is logical as what you do not know does not hurt you. Besides, the information age has turned the world into a global village, and the internet has put abundant information at the fingertips of all people, companies, nations and governments – such that it is absolutely untenable now to argue that those who outperform others do so because of availability of abundant knowledge and deeper insight into the problems and their related solutions.

In the corporate world for example, there is a strong view that people responsible for knowledge management are usually disconnected from those that need to translate this knowledge into action and in most cases do not understand the knowledge being documented. This cannot hold true for nations where those who acquire knowledge and those that are meant to act on it are the same people. The challenge for Nigeria, however, is in two folds. Firstly, the country has a poor repository of knowledge that leads to a short memory. Bishop Matthew Kukah puts it succinctly when he said, “the fact is that this country lacks a collective sense of memory and it is part of the tragedy we are facing as a country”. With regards to the 2005 National conference to which Kukah was Secretary, he said, “if you ask anybody now, nobody can tell you where the report is. This is a country where huge resources of this nature are budgeted for, but you cannot find a decent piece of paper in this country where things are documented”⁵. The fact remains that if reports and recommendations cannot be properly archived, retrieved and applied when necessary, then the knowing-doing gap will persist and in fact widen. Unfortunately this has been the case with Nigeria. Secondly, one of the main barriers to turning knowledge into action is the tendency to keep talking about a thing as an equivalence to actually doing something about that thing. In Nigeria, over the years, there have been incessant

5 Bishop Matthew Kukah's Interview with Vanguard, Monday March 3rd, 2014

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talk shows, conferences, seminars, committees, commissions of enquiry and tribunals etc., but it is clear that smart talk can never be a substitute for action.

It is posited in this study, therefore, that this continued collective amnesia and inability to turn knowledge into action is deliberate. It is a creation of the few, the ruling elites and the parasitic class who choose to organise society according to their whims and caprices, so as to fester their nest and accumulate wealth at the detriment of the masses. This study, as it traces knowledge in comparison to actions taken through the pre and post-Independence era, will show very clearly that the leaders are in an implicit complicity to ensure that the nation continues to roam the wilderness, while avoiding the high road that is proven by many as the only way to the Promised Land. Liberation will come only when people are able to see through this maze of tricks and begin to insist that the genuine process of turning the vast knowledge into action should commence. This will force

Liberation will come only when people are able to see through this maze of tricks and begin to insist that the genuine process of turning the vast knowledge into action should commence.

the leaders to engage in fruitful and thoughtful efforts that will yield cumulative benefits of learning from historical mistakes. A knowledge of the numerous reports by consultants gathering dust in the archives of corporations or even thrown in the bin, in spite of the extensive man hours and cost expended on them, could be indicative that the problem was not limited to the corporate Nigerian world but a national malaise and perhaps the factor responsible for the stunted development of Nigeria, widening the knowing-doing gap. The issues that Nigeria was grappling with at independence in October 1960 have unfortunately remained the same today.

These problems have in fact been compounded with the cumulative effect of inaction whilst the world has moved on and left the nation behind. Nigeria does not need further studies, conferences and recommendations to point to solutions to problems. There is no challenge being faced by Nigeria today that has not been studied or discussed with recommendations on options for action. Even a child just out of secondary school would discuss Nigerian problems and proffer very viable solutions. It is, therefore, right to aver that the knowledge of what the problems are and the solutions to them are very clear in the minds of most people and perhaps much more in the minds of those in leadership positions. The question, therefore, is why are the Nigeria people not able to match the knowledge of problems and the solutions that abound with actions to solve them. What is required are unequivocal consensuses and compromises on historical issues that divide the people. People must put greed aside and take positive action to the benefit of all. This is not too much to ask once there is a change in the mind-set of the elites, who should make up their minds to free the people, by changing their extractive posture and direct

their efforts to the creation of an inclusive society.

Restore the wisdom of the crowd

A house that is built on a weak structure or foundation cannot give joy to its occupants – not to even mention safety. The political structure of Nigeria is absolutely faulty. Nigeria constitutionally is a federal state, but effectively operates a unitary government. Nigeria's 36 states and 774 local governments cannot stand up to the big, strong and super powerful federal government. The government at the centre is just too powerful and overbearing, whilst the states and local governments are weak and over dependent on the largesse being doled out to them by the powerful centre. The consequence of this is the “do or die” politics that is currently practised, where people battle, maim, injure, kill and die in the effort to occupy political positions at the centre. They use godfathers and invest huge amounts of resources in the effort to achieve this end. Those, who survive such scramble, do not see the positions they occupy as positions of responsibility to serve the people and make Nigeria better for all but as opportunities to recover their huge investments and earn abundant returns thereon. Their sponsors see them as ambassadors to bring home their share of the national cake by hook or crook. They are rewarded with traditional chieftaincy titles, honorary

A situation where the people's will is subverted is not true democracy and accountability is usually defeated, thus, festering and encouraging corruption.

doctorate degrees and national awards, a seeming approval of their loots from the government treasury. This is the reason political office holders, who genuinely have the best interest of the people in mind do not win elections. Elections are rigged and the people's votes do not count. Yet, a situation where the people's will is subverted is no true democracy and accountability is usually defeated, thus, festering and encouraging corruption. The poor political structure, apart from creating what people call “feeding-bottle federalism”, where only one or two states are viable without monthly federal allocation from the centre, also leads to a very high cost of governance. With government spending over 76% of the annual budget as recurrent expenditure, there is little left for capital regeneration hence, the decay that is seen all around.

Last but certainly not the least, is the notion that was advanced again by the current U.S. President, Mr Barack Obama, while addressing the Ghanaian legislature during a visit to the country a few years back. That visit was symbolic, having not visited Nigeria on his tour of West Africa. Nigeria is the largest black African country on earth, so, why did the President, the so called son of Africa and leader of the free world, overlooked Nigeria? It is because as he inferred in his speech, Nigeria has strong men instead of strong institutions – a notion that promotes the esteem of individuals above the institutions of the land. Yet, another cursory look – this time, a comparison between the political system

of Nigeria and any European or even Asian nation – will be quite instructive. What you will find in Nigeria is a magnified focus on individuals, instead of their parties and even less on the public offices they hold. In China, there is arguably less than a fully democratic machinery as it is a one party communist state, yet the focus is firmly on the party, the government institutions and the collective people – but never on one individual. In fully democratised countries like the US and the European Union countries, the people rely on the fact that the notion of strong institutions guarantees that civility, justice, equity and fairness are preserved. People recognise the office before they recognise those occupying them – an occupation that is transient. In Nigeria, people often recognise the occupant at the expense and to the detriment of the office.

It is bad for people to rig elections. But life in Nigeria is a rigged life. The electoral process, the political parties, the governance structure, the entire political system, everything, is decidedly rigged against the ordinary person.

Political pluralism, particularly with respect to inclusiveness, has been made absolutely impossible in the two foundational areas where the diversity of Nigeria – the most useful virtue of the amalgamation of 1914 – has been turned on its head to become a time bomb. Instead of embracing diversity and respecting the wisdom that the population and the crowd possess to elect its leaders (so that the leadership question is removed from the Nigerian challenge equation), military incursions into politics, election rigging and godfatherism, have combined to pervert democratic elections such that the people freely choose their leaders is now nothing more than a mere selection procedure by a few cabals, who decide the fate of the country. It is retrogressive and negates the entire purpose of giving an opportunity to the crowd (the people) to exercise their collective wisdom to choose their leaders. For this reason, having a cabal select candidates or those presumed to have won elections is a tragedy of the worse as would be revealed in the detailed explanation soon.

The use of coercive force, either with the instrumentality of legitimate force or thuggery and militancy, constrains the free choice of the electorate.

According to Bolaji Abdullahi, it is bad for people to rig elections. But life in Nigeria is a rigged life. The electoral process, the political parties, the governance structure, the entire political system, everything, is decidedly rigged against the ordinary person. It is, in fact, almost absurd to talk of rigging here when that is what the entire system is all about⁶. The state is a central agency in regulating citizens' conduct, setting rules and procedure, ensuring fairness in social interactions and bargaining amongst the people.

6 Abdullahi, Bolaji. (2003), see, http://allafrica.com/special/nigeria_elections_2003/

Although the state may be embedded in the social structure, it has the capacity not only to influence but also transform the social structure. It is the locus of power, and the determinant of social values. As such, a strong interface exists between the nature and character of the state, the dominant political culture, and the nature of elections. In liberal democratic theory, an election is a viable mechanism for consummating representative government. Apart from facilitating leadership succession, it promotes political accountability, citizens' participation and gives voice and power to the people. In other words, elections are an expression of the people's sovereign will. John Stuart Mill, in his treatise on representative government, noted that: "The meaning of representative government is that the whole people or some numerous portions of them, exercise (through deputies periodically elected by themselves), the ultimate controlling power, which in every constitution, must reside somewhere. This ultimate power, they must possess in all its completeness".⁷

Civil and political liberties for individuals and groups must be assured to the extent that citizens can join any political group of their choice.

The ultimate power of the electorate is subverted when elections are rigged and representation is selected rather than elected. Nigeria is in the league of less successful countries when it comes to election management and outcomes: the electoral rules are either unclear, ever changing, or easily subverted; the electoral body is structurally weak and perennially ineffective; the political actors and agencies are like gladiators in their conduct; while the people are often powerless in an environment of political and electoral misdemeanour. Yet, elections are key criteria for evaluating whether a nation is democratic or otherwise. Elections provide opportunities for political participation in any political system. The electorate, therefore, become a crucial factor in the selection or choosing of political leaders and parliamentary representatives because of their votes. The votes empower the electorate politically, and it becomes an essential determinant of the political framework, in the competition for political office attainment, among the parties and candidates involved in political contestations. Accordingly, democracy is therefore the foundation of a sound political governing system. This must mandatorily meet the following three basic conditions. Firstly, there should be meaningful and extensive competitions among individuals and organised groups (especially political parties) for all government positions at regular intervals, without the use of force. This condition implies that political competition is not restricted to political parties alone. Individuals, who are so inclined, can contest as independent candidates, even when political parties exist. This is obtainable in the developed democracies, notably in the United States. The

⁷ Mill, John Stuart. (1948). 'On Liberty' and 'Considerations on Representative Government'. Oxford: Basil Blackwell.

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use of coercive force, either with the instrumentality of legitimate force or thuggery and militancy, constrains the free choice of the electorate, based solely on their conscience or motivated by party programmes (manifestoes). Thus, political competition accompanied by force, therefore erodes the principle of free and fair election. Secondly, there should be a highly inclusive level of political participation in the selection of leaders and policies, at least through regular and fair elections, such that no major adult or social group is excluded. This democratic criterion appeals for the liberalisation of political participation in the democratic process. The inclusion of all willing political parties and associations in the electoral process without imposition of registration requirements such as fees, geographical spread, with identifiable office locations and membership list is necessary. Conditional registration of political parties and groups are therefore considered undemocratic. The Nigerian judiciary affirmed this position when it ruled against imposition of registration fees on political associations by the Independent National Electoral Commission (INEC), before they could compete in the 2003 elections (Soniya and Alli, 2002: 1- 2).⁸

Thirdly, a level of civil and political liberties – freedom of expression, freedom of the press, freedom to form and join organisations – is necessary to ensure the integrity of political competition and participation. Civil and political liberties for individuals and groups must be assured to the extent that citizens can join any political group of their choice. Freedom of articulation and freedom of the press are measures for assuring expression and publication of diverse opinions by individuals and interest groups that cannot but enrich the beauty of democratic practice. The definitional analysis of democracy by Huntington (1991: 7) has hinged more strongly on the procedural approach for

Democracy is about people, community, truth, justice, cooperation and collective efforts at building and nurturing open societies and institutions in the interest of all.

the selection of decision-makers⁹. According to him, a political system is considered democratic “to the extent that its most powerful collective decision-makers are selected through fair, honest, and periodic elections in which candidates freely compete for votes, which is challenging in many African states arising from what is at stake politically and economically – the derivable benefits including dividends and privileges of political office holding. All these, therefore, make electoral transitions assume war-like and zero-sum dimensions among electoral contestants. The stakes particularly bring to the fore the self-succession problem in Africa. Fatile (2000: 110) aptly captures the succession problem in

8 Soniya, T. and Y. Alli. (2002). Party Registration: Supreme Backs Gani, Others. Saturday Punch, November 9, pp.1-2

9 Huntington, S.P. (1991). The Third Wave: Democratisation in the Late Twentieth Century. London: University of Oklahoma Press.

Africa when he observes that African Heads of State, with one or two exceptions, have been following the same trends of government, and are succeeding themselves in most countries, either through constitutional or unconstitutional means.¹⁰

It is within this utility value of democracy that Obasanjo opined that democracy is about people. He argues that democracy is about people, community, truth, justice, cooperation and collective efforts at building and nurturing open societies and institutions in the interest of all. Obasanjo further opined that, democracy is evidenced in the multiplicity of functioning political parties, periodic election, and adherence to constitutionalism, and that democracy is about protecting all in society, guaranteeing citizenship and participation and holding leaders that emerged from the democratic process accountable at all times, as they serve the people.¹¹ In essence, democracy is about serving the people; hence, the elementary interpretation of democracy is about the people for the people. Democracy is defined as government by the people; a form of government in which the supreme power is vested in the people and exercised directly by them or by their elected agents under a free electoral system.¹² People elect representatives in government to be able to cater for their interests. It, in a way, implies that the electorate's votes are regarded as sacred mandates.

The crowd is better at decision making than a few "wise men" meeting in a "conclave" to decide who the leadership at any level should be

It is on the basis of this sacred mandate and the electioneering promises made to the electorate that political leaders are appraised and made accountable. In Claude Ake's words, 'Voting does not amount to choosing' in the Nigerian environment, as electoral choices are made by political barons outside the orbit of electoral norm, rules and procedure. In such circumstances, 'winners and losers have often been determined before the contest, and voters merely go through the charade of confirming choices already made'¹³. This subversion of the will and wisdom of the people (the crowd) has important consequences and accounts for why Nigeria has a leadership challenge. It also explains why the country, in the main, is led by the wrong group of people most of the time. The crowd is better at decision making than a few "wise men" meeting in a "conclave" to decide who the leadership at any level should be, thereby ensuring that the decision of the crowd regarding

10 Fatile, J.O. (2000). Self-Succession and Civilianization of the Military Hierarchy: Implications for Democracy in Nigeria. *Journal of Policy Initiatives*, 3(1): 110.

11 Obasanjo, O. (2004). We must remember Democracy is about People. *The Comet*, Lagos March 26, p. 24)

12 <http://dictionary.reference.com/browse/democracy>

13 Fawole, Alade (2005). (Voting Without Choosing: Interrogating the Crisis of Electoral Democracy in Nigeria, in Tukumbi Lumumba-Kasongo, ed., *Liberal Democracy and its Critics in Africa: Political Dysfunction and the Struggle for Social Progress*, Dakar: CODESRIA)

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those who should lead is ineffective; in order words, the votes of the people do not count. This is regrettable as it is one of the main reasons that Nigeria continues to wander in the wilderness endlessly on a journey that should take not more than a handful of years. This is also why the idea of good governance is in part, measured by the amount of dividends of democracy enjoyed by the people is difficult to achieve. Consequent upon all these, it is important to explore the explanation as to why allowing the people to freely exercise their right to elect their leaders, in what is called the theory of the wisdom of the crowd, is as potent as it is fascinating and instructive.

For Francis Galton,¹⁴ breeding was very important because he believed that only a very few people had the intellect and characteristics necessary to keep societies healthy. He had devoted much of his career to measuring those characteristics, in order to prove that the vast majority of people did not have them. At the International Exhibition of 1884 in London, for instance, he set up an "Anthropometric Laboratory," where he used devices

Under the right circumstances, groups are remarkably intelligent, and are often smarter than the smartest people in them

of his own to test exhibition-goers on, among other things, their "keenness of sight and of hearing, colour sense, judgment of eye, [and] reaction time." His experiments left him with little faith in the intelligence of the average person, "the stupidity and wrong-headedness of many men and women being so great as to be scarcely credible". Galton believed a society could remain healthy and strong, only if power and control stayed in the hands of the selected and well-bred few. As he walked through the exhibition that day,

Galton came across a weight-judging competition. A fat ox had been selected and placed on display, and members of a gathering crowd were lining up to place wagers on what the weight of the ox was (or rather, they were placing wagers on what the weight of the ox would be after it had been "slaughtered and dressed"). For six pence, you could buy a stamped and numbered ticket, where you filled in your name, your address, and your estimate. The best guesses would receive prizes. Eight hundred people tried their luck. They were a diverse lot. Many of them were butchers and farmers, who were presumably expert at judging the weight of livestock, but there were also quite a few people who had, as it were, no insider knowledge of cattle. "Many non-experts competed," Galton wrote in the scientific journal *Nature*, "like those clerks and others who have no expert knowledge of horses, but who bet on races, guided by newspapers, friends, and their own fancies." The analogy to a democracy, in which people of radically different abilities

14 Francis Galton's original account of his visit to Plymouth fair is in "Vox Populi" *Nature* 75 (March 7, 1907) 450-451, the ballot box *Nature* 75 (March 1907): 510 - 510; Francis Galton, *Memories of my life* (London: Methuen, 1908. His account of International exhibition in 1884 is in his memories: Page 246

and interests each get one vote, had suggested itself to Galton immediately. “The average competitor was probably as well fitted for making a just estimate of the dressed weight of the ox, as an average voter is of judging the merits of most political issues on which he votes,” he wrote. Galton was interested in figuring out what the “average voter” was capable of, because he wanted to prove that the average voter was capable of very little. So, he turned the competition into an impromptu experiment. When the contest was over and the prizes had been awarded, Galton borrowed the tickets from the organisers and ran a series of statistical tests on them. Galton arranged the guesses (which totalled 787 in all, after he had to discard¹³ because they were illegible), in order from highest to lowest and graphed those to see if they would form a bell curve. Then, among other things, he added all the contestants’ estimates, and calculated the mean of the group’s guesses. The number represented, you could say was the collective wisdom of the Plymouth crowd. If the crowd were a single person, that was how much it would have guessed the ox weighed. Galton undoubtedly thought that the average guess of the group would be way off the mark. After all, mix a few very smart people with some mediocre people and a lot of dumb people, and it seems likely you would end up with a dumb answer. But Galton was wrong. The crowd had guessed that the ox, after it had been slaughtered and dressed, would weigh 1,197 pounds. After it had been slaughtered and dressed, the ox weighed 1,198 pounds. In other words, the crowd’s judgment was essentially perfect. Perhaps breeding did not mean so much after all. Galton wrote later: “The result seems more creditable to the trustworthiness of a democratic judgment than might have been expected.” That was, to say the least, an understatement.

What Francis Galton stumbled on that day in Plymouth was the simple but powerful truth, that under the right circumstances, groups are remarkably intelligent, and are often smarter than the smartest people in them. Groups do not need to be dominated by exceptionally intelligent people in order to be smart. Even if most of the people within a group are not especially well-informed or rational, they can still reach a collectively wise decision. This is a good thing, since human beings are not perfectly designed to be good decision makers. Instead we are what the economist, Herbert Simon, called “boundedly rational.” We generally have less information than we would like. We have limited foresight into the future. Most of us lack the ability – and the desire – to make sophisticated cost-benefit calculations. Instead of insisting on finding the best possible decision, we will often accept one that seems good enough, thereby basing our judgment on emotions. Yet despite all these limitations, when our imperfect judgments are aggregated in the right way, our collective intelligence is often excellent and this is the beauty and the intelligence of the crowd, be it electorates or economic markets. This intelligence, often called “the wisdom of crowd,” is at work in the world in many different guises. It’s the reason the internet search engine, Google, can scan a billion web pages and find the one page that has the exact piece of information you are looking for. The wisdom of the crowd

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has information on why the stock market works. The idea of collective intelligence helps explain why, when you go to the convenience store in search of milk, even at an odd time, there is a carton of milk available, indicating the strength of the collective intelligence of the market to make choices. The wisdom of the crowd plays a vital role in science. It also has the potential to make a profound difference in the way companies do business.

One of the striking things about the wisdom of the crowd is that even though its effects are all around us, it is easy to ignore, and, even when it is acknowledged, it can be difficult to accept, thus making us unnecessarily obstructive to the instrumentality of the good of all. Most of us, either as voters, investors, consumers or managers, believe that valuable knowledge is concentrated in very few hands (or rather in very few heads). We assume that the key to solving problems or making good decisions is finding that one right person who has all the answers. Even when we see a large crowd of people, particularly when

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many of them are not well-informed and do not perform wonders like predicting outcomes of horse races, we are more likely to attribute the success to few smart people in the crowd than to a crowd itself. As sociologists, Jack B. Soll and Richard Larrick, put it, "we feel the need to chase the expert."¹⁵ The wisdom of the crowd makes it clear that chasing the expert is a mistake and a costly one at that. We should stop hunting and ask the crowd (which, of course, includes the geniuses as well as everyone else) in free elections and markets instead. The chances are that the crowd in its immense wisdom knows better than the godfathers and the so called smart people. We should, therefore, allow the crowd, the generality of the Nigerian people, with their immense wisdom, to freely have their say in elections that are organised to choose their leaders.

But what are the qualities that give the crowd the collective intelligence for such effectiveness at decision-making? There are four conditions that characterise a wise crowd. Firstly, there must be diversity of opinion, each person should have some private information, even if it is an eccentric interpretation of the known facts; secondly, independence is important such that people's opinions are not determined or influenced by the opinion of those around them; thirdly, decentralisation is also key, as it enables people specialise on and draw from local knowledge; and then finally, aggregation, where some mechanism

¹⁵ Larrick, Richard P; Burson, Katherine A. and Soll, Jack B. (2007): Social comparison and confidence: When thinking you're better than average predicts overconfidence (and when it does not), *Organisational Behaviour and Human Decision Processes* 102. No1. Pp. 76-94.

exists for turning private judgments into a collective decision. If groups satisfy these conditions, their judgment is likely going to be accurate. This fact lies on the mathematical or statistical platitude that if you ask a large enough group of diverse, independent people to make a prediction or estimate a probability, and then find the average of those estimates, the errors each of them makes in coming up with an answer will cancel themselves out. This is because each person's guess has two components — information and error. The errors will cancel out, leaving the accurate information. More often than not, the average is always worse than the best and natural mediocre. However, with decision-making, it is often excellent as if nature has programmed the brain to be collectively smart.¹⁶

Charles Mackay would have scoffed at the idea that a crowd of people could know anything at all. Mackay was the Scottish journalist who, in 1841, published *Extraordinary Popular Delusions and the Madness of Crowds*, an endlessly entertaining chronicle of mass manias and collective follies. For Mackay, crowds were never wise.¹⁷ They were never even reasonable. Collective judgments were doomed to be extreme. Men, it has been well said, think in herds, while they only recover their senses slowly, one by one. Mackay's take on collective madness is not an unusual one. In the popular imagination, groups tend to make people either dumb, crazy or both. The speculator, Bernard Baruch, for instance, famously said: "Anyone taken as an individual is tolerably sensible and reasonable — as a member of a crowd he at once becomes a blockhead"¹⁸. This is amazingly true of the average Nigerian cabinet at any level of government and deserves some fairly detailed analysis. What are the attributes that give the crowd the wisdom that empowers it to outperform the intelligent man and what lessons can Nigeria learn therefrom?

Groups are all different, but they have in common the ability to act collectively to make decisions and solve problems.

Groups are all different, but they have in common the ability to act collectively to make decisions and solve problems, even if the people in the groups are not always aware of that. And what is demonstrably true of some of these groups is that they are smart, and good at problem solving. If you put together a big enough and diverse group of people and ask them to make decisions affecting matters of general interest, that group's decisions will over time be intellectually superior to the isolated individual's, no matter how smart or well-informed he is. Collective intelligence can be brought to bear on a wide variety

¹⁶ James Surowiecki. (2004). *The Wisdom of the Crowds* Doubleday (USA)

¹⁷ Charles Mackay. *Extraordinary Popular Delusions and the Madness of Crowds* Published by Richard Bentley, New Burlington Street, London (1841)

¹⁸ As quoted by Baruch in his Foreword to the 1932 edition of *Extraordinary Popular Delusions and the Madness of Crowds* (1841), by Charles Mackay http://en.wikiquote.org/wiki/Bernard_Baruch

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of problems, and complexity. Three examples of such problems are cognition problems, coordination problem and cooperation problems. Cognition are problems that have or will have definitive solutions. For example, "who will win the FIFA World Cup this year?" and "how many copies of these new houses will be sold in the next three months?" These are questions to which there may not be a single right answer, but to which some answers would certainly be better than others. The second kind of problem is what is usually called a coordination problem. Coordination problems require members of a group (market, subway riders, college students looking for a part time job) to figure out how to coordinate their behaviour to each other and relate well with themselves, knowing that everyone else is trying to do the same.

This problem relates to the following circumstance: How do buyers and sellers find each other and trade at a fair price? How do companies organise their operations? How can you drive safely in heavy traffic? The final kind of problem is a cooperation problem. As the name suggests, cooperation problems involve the challenge of getting self-interested, distrustful people to work together, even when narrow self-interest would seem to dictate that no individual should take part. This problem is peculiar to the enlisted situations - "How do we pick winners in contests like elections or determine what product excels and which fails, and for that matter which company succeeds and which fails?" There is a familiar truism that governments cannot and therefore should not try to "pick winners." But the truth is that no system seems all that good at picking winners in advance. What makes a system successful is its ability to recognise losers and deal with them justly or rather, its ability to generate lots of losers and recognise them as such and handle them properly. Sometimes the messiest approach is the wisest. In fact, if you look at the histories of most new industries in America, from the railroads to television, to personal computers to, most recently, the internet, you will see a pattern. In all these cases, the early days of the business are characterised by a profusion of alternatives, many of them dramatically different from each other in design and technology. As time passes, the market winnows out the winners and losers, effectively choosing which technologies will flourish and which will be extinct. Most of the companies fail, go bankrupt or get acquired by other firms. At the end of the day a few players are left standing and in control of most of the market. This seems like a wasteful way of developing and selling new technologies. With the experience of Google notwithstanding, there is no guarantee that at the end of the process, the best technology will necessarily win (since the crowd is not deciding all at once, but rather over time).

The crowd must possess certain characteristics that will classify it as powerful and intelligent. It must be able to generate possible solutions. However, generating a diverse set of possible solutions as cited in the example of technology earlier, is not enough. The crowd also has to be able to distinguish the good solutions from the bad. We understand

that groups (crowds) have a skill in making such distinctions. We have to ask ourselves if diversity has a place in the group. In other words, once a diverse set of possible solutions has been proffered, does having a diverse group of decision makers make any difference? Well, it does, in two ways, because of the diversity that crowds bring into problem-solving. Diversity is useful because it actually adds perspectives that would otherwise be absent and because it takes away or at least weakens, some of the destructive characteristics of group decision-making.

Fostering diversity is actually more important in small groups and formal organisations, than in larger collectives – like markets or electorates. The reason, being the sheer size of most markets, coupled with the fact that anyone who is financially stable can participate in the market freely, without being admitted or hired. Hence, a certain level of diversity is almost guaranteed. Markets, for instance, are usually *prima facie* diverse because, they are made up of people with different attitudes towards risk, different time horizons, different investing styles, and different information. In teams or organisations, by contrast, cognitive diversity needs to be actively selected, and it's important to do so because, in small groups it's easy for a few biased individuals to exert undue influence and skew the group's collective decision. Scott Page, a political scientist in University of Michigan, has used computer stimulated problem-solving to demonstrate the effects of diversity.¹⁹ The experiment showed that diversity is on its own, valuable and important such that the simple fact of making a group diverse makes it better at problem-solving. That does not mean that intelligence is not important. But it does mean that on the group level, intelligence alone is not enough because, intelligence alone cannot guarantee different perspectives on a problem. In fact, Page speculates that grouping only smart people together does not work that well, because the smart people tend to possess similar traits. If you think about intelligence as a kind of tool box of skills, the list of skills that are the best are relatively small, hence, people who possess them tend to act alike. Ordinarily, this is a good thing, but it implies that the group knows less than it otherwise would have known if it comprised diverse characters. Adding a few people, who know less but have different skills, actually improves the group's performance. In part, because individual judgment is not accurate enough or consistent enough, cognitive diversity is essential to good decision-making. The advantage of diversity as we have seen is that it expands a group's set of possible solutions and allows the group conceptualise problems in novel ways. On the other hand, the weaknesses of diversity is that the decision-making process is made easier, and decisions are based on

Diversity is important in groups and it comes naturally to an electorate

¹⁹ The difference: How the power of diversity creates better groups, firms, schools, and societies: http://scholar.google.com/citations?view_op=view_citation&hl=en&user=2XymNBAAAAJ&citation_for_view=2XymNBAAAAJ:_kc_bZDyKSQC

facts, rather than on influence, authority or group allegiance, which in a way eliminates unnecessary influence. Diversity is important in groups and it comes naturally to an electorate and markets. However, it has been emphasised that extra parties to diversity need to be injected into groups, even if they are characterised by extremely high intelligence. This is done simply to maximise their potentials in the group and make them good decision makers simply because such groups have a learning challenge. James G. March suggested that groups that have too many similarities experience more difficulty in learning because, each member brings less information that is new to the table. Homogeneous groups are great at doing what they do well, but they become progressively less able to investigate alternatives. Or, as March has famously argued, they spend too much time exploiting and not enough time exploring. Bringing new members into the organisation, even if they're less experienced and less capable, actually makes the group smarter simply because the little the new members know is not redundant with what everyone else knows. As March wrote, "The effect does not come from the superior knowledge of the average new recruit. Recruits are, on average, less knowledgeable than the individuals they replace. The gains come from their diversity."²⁰

Homogeneous groups, particularly small ones are often victims of what the psychologist, Irving Janis, called "groupthink"²¹. After a detailed study of a series of American foreign-policy fiascos, including the Bay of Pigs invasion and the failure to anticipate Pearl Harbor, Janis argued that when decision makers are too much alike – in worldview and mind-set – they easily fall prey to groupthink. Homogeneous groups become cohesive more easily than diverse groups and as they become more cohesive, they also become more dependent on the group, more insulated from outside opinion and, therefore, more convinced that the group's judgment on important issues must be right. These kinds of groups, Janis suggested, share an illusion of invulnerability, a willingness to rationalise away possible counter-arguments to the group's position, and a conviction that dissent is not useful. The important thing about groupthink is that it works not so much by censoring dissent, as by making dissent seem somehow improbable. As the historian, Arthur Schlesinger Jr., puts it, "Our meeting took place in a curious atmosphere of assumed consensus". Even if at first no consensus exists – only the appearance of one – the group's sense of cohesiveness works to turn the appearance into reality and in doing so helps dissolve whatever doubts members of the group might have. This process obviously works all the more powerfully in situations where the group members already share a common mind-set. Because information that might represent a challenge to the conventional wisdom is either excluded or rationalised as obviously mistaken and as such

20 James G. March. (1991). Exploration and Exploitation in Organisational Learning. Organisation Science Vol 2 No. 1 Special Issue http://www-management.wharton.upenn.edu/pennings/documents/March_1991_exploration_exploitation.pdf

21 psychologist Irving Janis called "groupthink: Political Psychology Volume 12, No 2, 1991

more insulated from outside opinion. Groupthink does not necessarily censor dissent, but it makes dissent seem somehow improbable as they work in a curious atmosphere of assumed consensus, which is negatively productive. Just as it has often been said, one can be intelligent but get selected into a cabinet position in Nigeria and that person descends into a collective foolishness that afflicts the small, homogenous group with a common mind set. Because information that might represent a challenge to the conventional wisdom is either excluded or rationalised as obviously mistaken and as such people come away from discussions with their beliefs reinforced, convinced more than ever that they are right. Deliberation in a groupthink setting tends to close people's minds, instead of opening them and such limits their thoughts such that the chances of reaching good decisions are relatively small at best, driving people towards conformity. In this sense, the parliamentary system that selects candidates that have already been chosen by the "crowd", fosters diversity than the nominated cabinet. This is more so as a nominated cabinet made up of smart people (who tend to resemble each other in what they can do with a small list of skills-set that are the best) is a relatively small representation. This is so because the people are alike and this reduces what the whole group knows much less than it otherwise might have, if it was more diverse. Consequently, it explains why group learning is difficult at that level. Another weakness of the godfather system is that while people are willing to conform, even against their own better judgment, it does not take much to get them to stop. As Solomon Asch's studies showed, once one person in this group is bold enough to challenge the authority of the power that be, others follow suit and are happy to announce their thoughts, giving rise to the rate of conformity. Does that sound familiar in the godson and godfather battles of today and the recent past?

The wisdom of the crowd has a far more important and beneficial impact on our everyday lives than we recognise, and its implications for the future are immense. Groups generally need rules to maintain order and coherence and when these are missing or mal-functioning, the result is trouble. This is visible in simple and complex situations in Nigeria like in traffic, markets or elections. Groups benefit from members talking to and learning from each other, but too much communication, paradoxically, can actually make the group as a whole less intelligent. While big groups are often good for solving certain kinds of problems, they can also be unmanageable and inefficient. Conversely, small groups have the virtue of being easy to run, but they risk having too little diversity of thought and undue consensus. Diversity and independence are important because the best collective decisions are the product of disagreement and contest, not consensus or compromise. An intelligent group, especially when confronted with cognition problems, does not ask its members to modify their positions in order to let the group reach a decision everyone can be happy with. Instead, it figures out how to use mechanisms –like market prices, or intelligent voting systems –to aggregate and produce collective judgments that represent not what any one person in the group thinks but rather, in some sense, what they all think.

Paradoxically, the best way for a group to be smart is for each person in it to think and act as independently as possible.

Subverting the people's will

Political culture refers to the set of attitudes, beliefs, and sentiments which give order and meaning to the political process and further provide the underlying assumptions and rules that govern behaviour in the political systems.²⁴ It is the aggregated experience of a people over a period of time, particularly in its recent history, which shapes their psychological and subjective disposition in politics. It is both a cumulative and contemporaneous engagement of the people, especially the elite, with the political process – their values, orientations, perceptions, understanding and meaning of the political power and processes in the country. The nature of Nigeria's federal system and the legacy of military rule, are enduring factors that influence the extant political culture and electoral practices, especially as constructed by the political elite. The state is a centralised federal system in which power and resources are concentrated at the centre. There is a disconnect of power from responsibility, and between citizens' material obligation to the state and state responsibility for sound institutional conduct and ethical behaviour. The base of national accumulation, which is oil rather than taxation, imposes little restraint on state conduct, performance and accountability. Within the context of political centralism, the tendency is for the struggle over state power, especially at the centre to be fierce, lawless, and extremely consuming.

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The logic of political and economic centralism peculates from the national to sub-national political units where state authorities also form critical centres of power, control and accumulation. Years of military rule have accelerated this drift towards hegemonic politics at the expense of democracy. As noted by Atiku Abubakar, a prominent member of the post-military political class and a former Vice President of Nigeria, Nigeria has experienced decades of military and authoritarian rule which has left deep imprints in her political culture. Consequently, the political elite have become used to centralisation and personalisation of political power, the central defining elements of mod-

There is a political market, and there are investors, sellers, and consumers or buyers interacting to make the market functional.

²⁴ Yaqub, Nuhu. (2001). 1993 Presidential Elections in Nigeria and the alleged Use of Excessive Money: Implications for the Country's Political Culture and Future Politics. *Journal of Third World Studies*

ern despotism. The consolidation of democracy, however, requires the institutionalisation of political power in which due process, rules and regulations replace the exercise of personal power. Historically, Nigeria's political party formations have been characterised by mobilisational leaders, who as founders, exercise tremendous influence.²⁵ Notable

The political elite have become used to centralisation and personalisation of political power, the central defining elements of modern despotism

examples of such leaders are Obafemi Awolowo of the AG and UPN, and Nnamdi Azikwe of the NCNC and NPP in the first and second republics (1960–1966, and 1979–1983), respectively. Also Sir Ahmadu Bello and Tafawa Balewa were the icons of the NPC in the first republic, who though not alive in the second republic, nonetheless commanded a mythical presence and inspiration within the NPN in that era. Such leaders influenced party nominations and other party processes to the extent of compromising internal party democracy. After the second interregnum of military rule (1983–1999), the nature and texture of party politics changed.

Political parties were no longer guided by ideology or specific focus; they were not led by mobilisational leaders, who could drive and guide their actions and policies, and inspire internal cohesion and discipline. Political parties assumed the character of electoral machines, whose sole aim was to win political power through the ballot. Aspiring election candidates were mostly individual actors sponsored by some powerful individuals, because the cost of electioneering has now become astronomical. A senator of the fourth Republic, Femi Okurounmu, has noted, for example, that a candidate would need one billion naira (about US\$74 million) to run for a senate seat in some parts of the country; and that even running for a council seat require a huge financial outlay (Okurounmu 2003: 45).²⁶ The immediate consequence of a monetised electoral politics is the emergence of 'political barons' – political entrepreneurs, who invest in election candidates for higher financial and political returns. Political barons hold neither elective political offices nor party positions. They often constitute informal leaders, who are more powerful than the party chiefs and formal office holders. They sponsor candidates, control the internal party nomination process, finance electoral campaigns, rig elections on behalf of their candidates and corrupt election officials, and sometimes change the names of candidates after elections have been concluded. They are virtual kingmakers. Jubrin Aminu, a Professor of medicine turned politician, once lamented how political barons create elected political representatives. According to him, "this business about the 'man on the street' does not really feature". The logic of the market is reproduced in the political sphere:

25 Abubakar, Atiku. (2005). Elections and the Peoples Mandate, Keynote Address delivered at the National Conference on 'Elections, 2007: Protecting the Peoples' Mandate' organised by the International Human Rights Law Group, on 25 August 2005.

26 <http://codesria.org/IMG/pdf/3-agbaje.pdf>

there is a political market, and there are investors, sellers, and consumers or buyers interacting to make the market functional. In Nigerian parlance, the political barons are 'political godfathers', who deploy a vast array of resources – financial and political contacts, networks, and even traditional social capital – to support their preferred candidates. In return, those candidates, when elected, are expected to do the bidding of their 'godfathers'. The godfathers desire not only to participate in the sharing of the spoils of office, they also control it. However, this political baron-client relationship is inherently contradictory, and sooner than later unravels. While the client in power seeks to assert himself or herself, and establish some independence, the baron insists on retaining control and recouping his earlier investments. This dialectic unleashes conflict which could destabilise the political order. The greatest danger, however, lies in the crudeness with which wealth triumphing over the rule of law, and powerful people employing wealth and political power to subvert the sovereign will of the people, could easily corrupt and undermine democracy, especially where wealthy people are allowed to act with impunity. In this case, Ex-President Obasanjo's reaction to the struggle for hegemony in Anambra state, which let the culprits off the hook, rather than bringing them to order, is striking. According to him, "Theirs was like the case of two robbers that conspired to loot a house and after bringing out the loot, one decided to out-do the other and the issues of fair play, even among robbers became a factor... the two robbers must be condemned for robbery in the first instance and the greedy one must be specially pointed out for condemnation to do justice among robbers".²⁷

Rather than considering political office holding as an opportunity to serve the people and the nation, it is erroneously perceived as a vocation and an avenue for making easy wealth.

Election rigging refers to electoral malpractices, which are palpable illegalities committed with a corrupt, fraudulent or sinister intention to influence an election in favour of a candidate(s), by means such as illegal voting, bribery, and undue influence, intimidation and other acts of coercion exerted on voters, falsification of results, fraudulent announcement of a losing candidate as winner (without altering the recorded results). Electoral practices are to be distinguished from mere electoral irregularities, which relate to non-compliance with prescribed procedure at election - like late commencement of polling, polling outside the statutorily stipulated time, late delivery of electoral materials etc. Electoral malpractices and electoral irregularities differ not only in their nature but also in their legal consequences; whilst the latter do not, in general, invalidate an election, the former emphatically does. Why do political parties and electoral contestants rig elections? Why

²⁷ Obasanjo, Olusegun. (2004). Text of a Reply to Audu Ogbeh in Response to Ogbeh's letter on "Re: Anambra and other Related Matters".

the desperation to rig elections and win at all cost? The propensity to rig elections in the developing world is often propelled by the attitude arising basically as a result of the general poverty ravaging most developing countries. Severe economic hardships and mass unemployment thereby make life difficult for most citizens and strengthen poverty in these countries. Many, particularly the political elite, see the political sector and political office holding, as a means of livelihood. Therefore, rather than considering political office holding as an opportunity to serve the people and the nation, it is erroneously perceived as a vocation and an avenue for making easy wealth. Besides, the fear of post-political office career constitutes a problem to a free and fair election. The fear of what becomes of the office holder after service as President or Governor, parliamentarian or council chairman is a motivating factor for rigging elections. Most political office-holders do not want to lose the benefits, perquisites, respect and social status attached to holding public offices. In general, the political economic factor is the over-riding cause of the electoral zero-sum game and politics of exclusion in the developing economies. Summarily then, the perpetration of corruption in politics is done in the following ways:

- a. In voting, there is outright buying of votes or even voters' cards during elections. The electorates are induced or 'settled' with some form of gratification usually money.
- b. Connivance with and the "settlement" of electoral officials in order to manipulate or falsify election figures
- c. Outright rigging of elections through other means such as thievery, threats to life, all forms of intimidation and the likes.
- d. Use of the power of incumbency and the state machinery. There is the 'Iron Law of African politics', which states that no government in power ever loses election. Office holders therefore make use of all available weapons at their disposal to suppress opposition and win elections at all cost.

Use of financial power. Money is now a crucial and most potent factor in Nigerian politics. The system does not make political aspiration available to everybody; it is available only to the rich and powerful. This is so, with the councillorship or the presidency of the country – it is the same. You must be rich, powerful and well connected. No matter how popular, credible or patriotic you are, your honour, reputation, integrity, records and desire to render selfless services, if you do not have money, you are a joker. Elective posts usually go to the highest bidders.²⁸

The observed roles of the security forces in perpetuating electoral malpractice and fraud

28 Patterns of electoral malpractice by security agents (security forces, electoral conduct and the 2003. General Elections in Nigeria by Kunle Ajayi Department of Political Science, University of Ado-Ekiti (2006)

include:

- a. Collusion with politicians to scare opponents from polling centres.
- b. Receiving bribes from politicians to stuff ballot boxes.
- c. Collusion with political party agents and thugs to stuff ballot boxes.
- d. Failing to act in the face of violence and rigging.
- e. Personally thumb-printing ballot papers.
- f. Abandonment of/absence from attached polling centres.
- g. Sporadic shooting into the air to scare away voters, and substitute official ballot boxes with ones stuffed with already thumb printed ballot papers in favour of some candidates.
- h. Illegal arrest and detention of political opponents on the eve of election and election days.
- i. Sporadic shooting into the air at opponents' houses and strongholds before and on election days to prevent them from any effective mobilisation of supporters and voters.
- j. Harassment of voters at polling booths, including beating and jack booting, thereby infringing on their human rights.
- k. Snatching of ballot boxes before the counting of votes by political thugs.

What are the implications of the above? First, as previously highlighted, the electorates have wisdom and are better placed to make the choice as to who should represent or lead them. The choice that is thrown up by a rigged election is not from the wisdom of the people and a leader acceptable to them. Secondly, the culture of impunity is growing wild, as cases of political assassination, intimidation, violence, and general disorder ostensibly perpetrated by powerful political forces spread, placing Nigeria's civil rule at grave risk. Thirdly, the rule of law and due process are being sabotaged. This is antithetical to the growth of democracy, political inclusiveness and pluralism. Fourthly, elections in Nigeria are rapidly becoming shams –mere political rituals in which the people have neither voice nor power, and their mandate is freely stolen by the political barons and their clients. Elections and democracy can only survive where institutions are strengthened, relatively independent, functional and efficient, and procedural.²⁹ Unfettered election rigging has disastrous consequences for democracy because it deprives elections of their essential purpose as a popular basis for government. In the first place, a government which, by electoral malpractices, keeps itself in office against the votes of the majority of the electorate, lacks the legitimacy of the moral authority that popular

Victory at an election must be related and linked to ability to secure and promote the people's welfare, and that a government, which has not performed well in this respect, forfeits all claims to have its mandate renewed.

²⁹ Ben Nwabueze. (2003). Nature and Forms of Elections Rigging

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mandate bestows. In the second place, election rigging undermines another cardinal principle of democracy – the principle that the welfare of the people should be the object of government. Victory at an election must be related and linked to ability to secure and promote the people's welfare, and that a government, which has not performed well in this respect, forfeits all claims to have its mandate renewed. This principle postulates elections as the people's ultimate and most effective weapon for enforcing a government's responsibility and accountability to it. If, through election rigging, positions can be assumed against the votes of the majority of the electorate, then the ability to perform or having a record of achievement counts for nothing in an election. A government can neglect the people's welfare as much as it likes; it can loot the nation's wealth and ruin its economy and still rig itself back to power against the votes of a majority of the electorate. Such elections would have lost all relevance and efficacy, as a means of making government responsive to the welfare of the people, and of enforcing that the power it exercises belongs to the people, and should be exercised only for their benefit. No matter how much the people disapprove of a government's performance and desire a change, rigging can be used to subvert their wishes and their votes at an election. The responsibility and accountability of the government to the people would have been rendered largely inconsequential. The recent debate on the electorates' preference of "stomach infrastructure" to roads and infrastructural developments, good education, healthcare etc., is irrelevant to the electorate collective wisdom to determine what they want, and express it in their votes in a free and fair election.

From the standpoint of the political parties and their candidates, rigging deprives election of its character as a competition in which all the contestants can equally aspire to win. Where the capacity of the contestants to rig is vastly unequal because one of them is in a position of irresistible influence over the electoral body and has power of control and direction over the coercive force of the states represented by the police as well as greater resources, it moves away from the realm of the wisdom of the crowd into a decision of a few, by hook or crook. A far more serious implication is that, due to rigging, elections become unavailing as a means of changing a government, violent and possibly result in the breakdown of law and order. Wholesale and brazen election rigging seems to attract violent disturbances almost as an inevitable reaction. The two are clearly correlated. From the point of view of their implications for democracy, it does not matter whether the disturbances are spontaneous or are incited by leaders of some political parties. However they might have started, they simply demonstrate the kind of danger which election rigging poses for law and order and the rule of law. A government, which by election rigging makes itself irremovable, is definitely inviting trouble for itself. In the oft-quoted words of President JF Kennedy, "those who make peaceful change impossible make violent change inevitable".

Go on then, count the crowd

Another time bomb, which is unwittingly being set, simply by not allowing the natural wisdom of the crowd to prevail, is the fact that after more than a hundred years of existence as a nation, Nigeria still cannot count its people to incontrovertibly establish its population. How can the economic sector plan effectively if the number of users of related services is not known? For Nigeria to logically and imperatively benefit from the wisdom of the crowd, it is absolutely necessary to establish its demographic statistics right. The population figures are inaccurate and the government is either incapable or unwilling to do the needful. There is an unconfirmed popular view that one out of every five black people on earth is a Nigerian. But that can only be an assumption, as every headcount held in Nigeria in the past 54 years ended in national controversy with strong allegations of population inflation and miscount here and there. The census that have been carried out in Nigeria are as follows:

- | | |
|--|------------------|
| 1. The second general census in Nigeria was held | 1952 - 1953 |
| 2. The first census after Independence was held | 1963 |
| 3. The second census after Independence was held | 1973 |
| 4. The third census after Independence was held | 1991 |
| 5. The fourth census after Independence was held | 21st March, 2006 |

The 1991 Nigerian census was the most thorough and accurate exercise in the nation's history. More than 800,000 census enumerators fanned out across Nigeria to take the count, and the country's borders were closed for three days while the tally was taken. The populace was ordered to remain at home to await the census officials, and shops and factories throughout Nigeria were shut down. Yet, that census also ended in controversy. Efforts have been made to take the national census and each time the results have been said to be fraudulent. Christians and animists vied with Muslims, neither faction willing to accept a count which placed it in minority or short-changed its political representation. Regional population totals were inflated by the states to ensure their "proper share" of government revenues. The 1962 census was cancelled after various regional governments found it unacceptable, and the 1973 census was nullified when the results in many areas were so bizarre and deemed fictitious. The "official" 1963 census was accepted through political compromise. The Nigerian government later admitted that the 1963 census figures were arrived at by "negotiation rather than enumeration". But despite the shortcomings in the Nigeria's 1963 population figures, numbers were readily utilised by the international population control movement. Assigning various population growth rates –ranging from 2.5% to 4% per year –to the 1963

Census numbers in Nigeria guide political redistricting, the distribution of oil revenues, and even civil service hiring.

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numbers, the populationists produced their "guesstimates".³⁰ Demographic experts and international population control groups have been speculating for quite some time about just how many people live in Nigeria. According to the Population Reference Bureau, Nigeria's 1991 mid-year population was 122.5 million³¹. The December 1990 edition of *Populi* reported that Nigeria's 1990 population was 117 million, and warned that the country's population would reach "622 million" in the year 2040³². Similarly, the June 1989 issue of *Planfed News* claimed that the 1989 population was "about 112 million... (and) could reach 165 million by the year 2000 and...280 million by 2015". *Planfed* reported that "Nigeria's sky-rocketing population (would) hit about 500 million by 2030, if appreciable reduction in fertility rate is not accomplished." Likewise, population alarmists, Paul and Anne Ehrlich, reported that "Nigeria's population, 115 million in 1989, is projected to reach 160 million in 2000 ... and over 530 million in 2050."³³

Armed with this statistical "proof" of Nigeria's impending population disaster, USAID and the World Bank harangued Nigeria to implement massive population control programmes. Planned Parenthood and others pressed for the legalisation of abortion. Beset by these "experts," in 1988 the Nigerian government issued a formal document, "National Policy on Population," setting goals for reductions in the nation's birth rate³⁴. Embarrassed demographers at the U.S. Census Bureau agreed that all such figures would have to be "carefully re-evaluated" and perhaps "adjusted." "It's back to the drawing boards," said one Census Bureau spokesman. "After all, when there's a discrepancy of such magnitude in the numbers of one of the world's most heavily populated countries, it's bound to affect world totals"³⁵. Census taking seems a quiet affair to most people in the United States, where the head count runs relatively smoothly and is reliably carried out every 10 years. But 2006 national census in Nigeria was met with protests, boycotts, charges of fraud, and at least 15 deaths.³⁶ Thousands of other enumerators abandoned the job because they hadn't been paid, and a number of people in large swaths of the country claimed they were not counted³⁷.

30 Popcorn Nigerian Alarmist Figures Refuted Population Research Institute.htm

31 World Population Data Sheets of the Population Reference Bureau, Inc., April 1991, 1990 and 1989

32 Robert McNamara S. (1990) Population and Africa's Crisis. *Populi*, Journal of the United Nations Population Fund

33 Ehrlich & Ehrlich. (1990) *The Population Explosion*. Simon and Schuster, New York. Jodi Jacobson of the Worldwatch Institute put Nigeria's 1989 population at "110 million people... [which] will jump to 564 million by 2050 at current rates of growth..." Jodi L. Jacobson, "Nigeria Opts For Smaller Families," *Worldwatch*, The Worldwatch Institute, March/April 1989, pp. 9-10, at 10.)

34 National Policy on Population For Development, Unity, Progress, and Self Reliance, Federal Republic of Nigeria, Department of Population Activities, Lagos, Nigeria, 1988

35 In the News The Nigerian Census.aspx.mht

36 Bashir Adigun. (2006). Nigeria's Census Ends With Many Still Uncounted. *Chicago Sun-Times*, accessed online at www.suntimes.com.

37 (2006). Criticisms Shroud Nigeria's First Headcount in 15 Years. *Monday Morning*, accessed online at www.morning.com

Passion and conflict are not new to Nigerian censuses. But it needs not be so. Unfortunately, we have tied so much largesse to population count that it has now become “the survival of the fittest who is able to outsmart the others”. What are the sweet honey buds attached to Nigeria’s head count? Population census is used as a variable in resource allocation. Of course, democracy is a game of numbers so the majority people hold the balance of political power. This is a political upper cut in a country where the one who holds the power at the centre has his fingers on the federal largesse. Census numbers in Nigeria guide political redistricting, the distribution of oil revenues, and even civil service hiring. Nigeria’s constitution dictates, through the federal character clause, that the relative population percentages of every ethnic and religious group must be used to determine the mix of those groups in all federal appointments, including the security agencies, particularly the armed forces.

The 2006 census required information on the residential location of citizens, which served as a crude index of ethnic or religious affiliation because these groups are often highly geographically concentrated. We have seen that the last census that Botswana enquired of its citizen’s ethnicity was in 1946. Enquiries about state of origin that is in most of the forms completed by Nigerians, is laden with ethnic insinuation and is not healthy of a country desiring unity, despite the fact that tribe or tongue may differ. Nigeria’s difficulties at census taking have even been the butt of international jokes.

In April 2005, for instance, Uganda’s environment minister, Kahinda Otafiire, called the opposition party in Uganda unfit to govern, and compared them to “Nigerians who don’t know how to count themselves”.³⁸ The jibe was quickly protested by Nigerian officials. But taking a census is no joking matter in many countries torn by strife or short on resources for such a nationwide effort. Some observers dispute that the 2006 Nigerian Census was comprehensive. Indeed, a day before the five-day headcount was scheduled to end, Nigeria’s National Population Commission Chairman, Samu’ila Danko Makama, admitted that only 70% of the country had been canvassed (hence, the census was ultimately extended by two extra days). Census forms and materials were also reported to be in short supply, especially during the first two days of the count, when people were ordered to stay home from work to ensure accurate enumeration. Many people also claimed to have been bypassed entirely by census workers. More than 45,000 herders in north east of Yobe state, for instance, were left uncounted by the end of the census simply because they had not been included in the official census map³⁹. Professor Ottong, a social scientist at the University of Calabar, explained that

38 Nigerians Bristle at Census Jibe, BBC News Online, accessed online at <http://news.bbc.co.uk>, on April 5, 2006.

39 Adigun. Nigeria’s Census Ends With Many Still Uncounted.

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population has been a sensitive and controversial issue, "because of its implications for shaping regional, state and ethnic relations and balance of power". In the past, census figures were believed to have been manipulated for political advantage. Southern leaders claimed at the time, that election rigging began at the census level. Their argument was that it ran against all known demographic principles for the largely semi-arid North to be more populated than the coastal South. Such deep-seated suspicion continued. The mutual hostilities it engendered were thinly veiled. Each side is struggling to achieve a higher population and, therefore, political advantage. The distribution of funds through the monthly revenue allocation which accrue to the nation among the 36 component states, is also based largely on population. If a state is assigned a bloated population, its withdrawal from the national purse is more than that of those with smaller numbers. Accurate population count is very important to a nation's national planning, political and economic growth and development. Nigeria should decouple population from benefits like revenue allocation, share of other goodies so that it can determine its true demographic statistics and enjoy the innumerable benefits that the accuracy of such data confers on a nation.

Grow up, ditch the feeding bottle

Nigeria should allow the wisdom of the crowd to work so that the people can choose the leaders that will lead them to the Promised Land. Also, the country needs accurate census so that it can have correct data to make and implement development plans. Concomitantly, the country should ditch the feeding bottle federalism and stop feeding milk to its federating units. All these point to the fact that the political foundation of Nigeria needs to be recreated or transformed, since that is the new buzz word. This restructuring should be carried out covering the cocktail of issues discussed below in order to create political and economic inclusiveness, enhance pluralism and reduce elite corruption.

Nigeria should decouple population from benefits like revenue allocation, share of other goodies so that it can determine its true demographic statistics.

Parliamentary system: The presidential system of government that is presently practised has only compounded the problems of the nation. The country operated a parliamentary system until the transition to the Second Republic, where the parliamentary system of the 1960 (Independence) and 1963 (Republican) constitutions, were abandoned for a presidential system under the 1979 constitution. This preference was subsequently endorsed, after a prolonged and heated debate, by two separate constitutional bodies instituted by the military, during the 1975-1979 transition process. These were the 49-member Constitution Drafting Committee (CDC) and the 232-member Constituent Assembly, which prepared and debated the draft of the 1979 constitution before it was

finally amended, ratified and promulgated by the Supreme Military Council (SMC). Both then and currently, proponents of the presidential system have cited several advantages of the system in Nigeria. These include:

- The system's presumed compatibility with African indigenous kingship or chieftaincy traditions.
- The system's capacity to overcome the First Republic's conflicts of authority, personality and ethno-political interest between the (ceremonial) President and the prime Minister.
- The role that the President could play as a symbol of 'national unity' by virtue of both his pre-eminent constitutional status as the chief executive of the federation and the single act of being directly elected by the whole nation, voting as one constituency.
- The system's capacity to lend relatively greater energy, stability, initiative and direction (in short, effective leadership) to the process of government.
- Its greater institutional consistency with Nigeria's federalist commitments.
- The system's greater structural elegance and 'democratic nature' in imposing a strict separation of powers between the executive, legislature and judiciary, in specifying fixed terms of office for the chief executive, and in providing for regular (rather than unstable) electoral cycles that could minimise the advantages of incumbency in the Nigerian setting.

Of these asserted advantages, presidentialism has the capacity to foster greater inter-ethnic unity and this was the most consistently stressed factor officially. According to the-former military Head of State and civilian ex-president, Olusegun Obasanjo (1994, 24), "the greatest advantage of the presidential system is that the country is the constituency of the president. He is obliged to know the country and seek support across the country. Even if he is a tribal baron, his horizon and outlook will be broadened by the end of a nationwide campaign"⁴⁰. What is more, because both parliamentarianism and presidentialism have collapsed in Nigeria, broad scepticism has often greeted any suggestions for a further change in the country's governmental system.

The presidential system of government that is presently practised has only compounded the problems of the nation.

40 <http://www.constitutionnet.org/files/Suberu%20Nigeria.pdf>

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Table 13.1 Nigerian Regimes since independence

Years	Head of State	Type of Regime
1960 – 1966	Nnamdi Azikiwe	Republic (Parliamentary)
1966	JTU Aguiyi-Ironsi	Military
1966 – 1975	Yakubu Gowon	Military
1975 – 1976	Murtala Mohammed	Military
1976 – 1979	Olusegun Obasanjo	Military
1979 – 1983	Shehu Shagari	Republic (Presidential)
1984 – 1985	Muhammadu Buhari	Military
1985 – 1993	Ibrahim Babangida	Military
1993	Ernest Shonekan	Military
1993 – 1998	Sani Abacha	Military
1998 – 1999	Abdulsalmi Abubakar	Military
1999 – 2007	Olusegun Obasanjo	Republic (Presidential)
2007 – 2010	Umaru Musa Yar'Adua	Republic (Presidential)
2010 – Date	Goodluck Jonathan	Republic (Presidential)

Source: *Project Hope*

The primary source of contemporary Nigerian instability, it is argued, is not presidentialism, but the misdemeanour of the political class. Yet, as reflected in the growing passionate criticisms of the presidential system by some sections of the Nigerian political class, there is a sense in which the presidential system may have exacerbated some of the

Parliamentarianism has been praised for producing serious debates, for allowing the change in power without an election

pathologies of Nigerian politics. In the first place, the huge financial costs associated with a federation-wide presidential campaign seem to constitute an invitation for the further 'monetisation' and corruption of politics, the very bane of Nigerian public life. As things stand, the presidential race in Nigeria has become an exclusive turf for the so-called 'money bags' or wealthy barons and their 'fronts'. Likewise, other flaws of the system are, the wisdom of instituting an

executive presidency, with very wide powers in Nigeria, given the fragile and faltering nature of the country's federalism, the already relatively strong traditions of executive political domination and development, the weakness of legislative institutions and formal party structures, the fledgling nature of civil society, the general vulnerability of horizontal and vertical institutions of accountability, and the overwhelming socio-economic position of the central state apparatus, in particular, and of government in general. Under these conditions, a presidential system could promote personal rule at the expense of 'shared rule' and 'limited rule', engendering destructive competition for the pre-eminent position.

Returning to the parliamentary system of government using the 1963 as a base and the zones as federating regions will reduce the cost of government and help to considerably reduce ethnic politics. One of the commonly attributed advantages to the parliamentary systems is the ease and speed at which laws are passed. This is because the executive branch is dependent upon the direct or indirect support of the legislative branch, and often includes members of the legislature. Thus, this would amount to the executive as the majority party or coalition of parties in the legislature, possessing more votes in order to pass laws. In a presidential system, the executive is often chosen independently from the legislature. If the executive and legislature in such a system, include members entirely or predominantly from different political parties, then a stalemate can occur. Accordingly, the executive within a presidential system might not be able to properly implement his or her platform/manifesto. Evidently, an executive in any system (be it parliamentary, presidential or semi-presidential) is chiefly voted into office on the basis of his or her party's platform/manifesto. It could be said then that the will of the people is more easily instituted within a parliamentary system. In a bid to accelerate legislative action, parliamentarianism has attractive features for nations that are ethnically, racially or ideologically divided. In a uni-personal presidential system, all executive powers are vested in the President.

The huge financial costs associated with a federation-wide presidential campaign seem to constitute an invitation for the further 'monetisation' and corruption of politics,

In a parliamentary system, with a collegial executive, power is more divided. It can also be argued that power is more evenly spread out in the power structure of parliamentarianism. The prime minister seldom tends to have as high importance as a ruling president, and there tends to be a higher focus on voting for a party and its political ideas than voting for an actual person. Parliamentarianism has been praised for producing serious debates, for allowing the change in power without an election, and for permitting elections at any time. The four-year election rule of the United States is perceived as unnatural by some. There is also a body of scholarship, associated with

The presidential system is expensive because it feeds the 37 chief executives and their retinue of ministers, commissioners, advisers and other aids on the one level and 774 mini executives, supervisory councillors and aids at the local government level.

Juan Linz,⁴¹ Bruce Ackerman,⁴² and Robert Dahl, who claims that parliamentarism is less prone to authoritarian collapse. These scholars point out that since World War II, two-thirds of Third World countries, who established parliamentary governments successfully, made the transition to democracy. By contrast, no Third World presidential system successfully made the transition to democracy without experiencing coups and other constitutional breakdowns. One main criticism and benefit of many parliamentary systems is that the head of government is in almost all cases not directly elected. In a presidential system, the president is usually chosen directly by the electorate, or by a set of electors directly chosen by the people, separate from the legislature. However, in a parliamentary system, the prime minister is elected by the legislature, often under the strong influence of the party leadership. Thus, a party's candidate for the head of government is usually known before the election, making the election as much about the person as the party behind him or her. The knowing and doing gap and its accentuation on the lack of process improvement is most evident here. The military allowed the practice of the parliamentary system for less than six years before they booted out the politicians and introduced the presidential system in 'a unitary federalism'. There was no room for making mistakes, learning lessons and undergoing an organic process improvement for the benefit of the people and the process. Both systems suited the military command and control system, but did not provide a good template for pluralism in a multi-ethnic country like Nigeria. It is interesting to note that most of the comparator countries that Nigeria started out with in 1960 still practice the parliamentary system of government with very stable democracies. The result of the road not travelled by Nigeria is now visible for all to see. But it is better late than never!

Federate with zones and not states: The most wearisome part of the structure of the Nigerian state is the concentration of power at the centre by the military, while at the same time numerous unviable and weak states were created to federate with the all-powerful centre. At Independence, the country was divided into three regions that maximised the influence of the three leading ethnic groups, but also made it difficult to separate regional politics and conflict. Moreover, there was no protection for the smaller ethnic groups. After the crises that pervaded the Western region in 1962 and 1963, the government agreed to the creation of the fourth, mid-western region in 1964, but as was noted earlier, that did little to defuse political tensions. The first military regime abolished the regions and divided the country into 12 states, six in the North, three in the East

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- 41 Juan Linz (co-authored with Alfred Stepan. (1996). *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe*. Johns Hopkins University Press. Rienner. (2000). His seminal work *Totalitarian and Authoritarian Regimes* and his influential essay *The Perils of Presidentialism*.
- 42 Bruce Ackerman. (2014). *We the People, Volume 1, 2 and 3*. Cambridge, MA: Harvard University Press

and West respectively. The authors of the Second Republic constitution further divided the states, creating a total of 19, of which the three main ethnic groups would control 12 of these states, and the others seven. In the late 1980s, Babangida's government created two new states and a federal district around the newly created capital city of Abuja. In August 1991, yet another set of nine states (making a total of 36 states) were formed in an attempt to defuse ethnic and other tensions. There are also 744 local governments, which comprise elected officials and traditional authorities, although their numbers and composition have fluctuated dramatically over the years. In some ways, the changes in state and local government structures have been successful. Now, most of the significant ethnic groups control the regions in which they live, which was not possible in the days when there were only three or four regions.

Moreover, the creation of smaller states has made local politics less and less a part of the all-or-nothing nature of national competition. In the late 1970s and the 1990s, those sub-national units also played a vital role in the attempts to return to democracy. In each case, it was hoped that creating relatively homogeneous states and local governments and holding elections at those levels, would as well straighten the path to peaceful democratic politics at the national level. In other ways, the federal system has been a hindrance to democracy and stability. There has always been considerable uncertainty about what the respective responsibilities of the state and federal governments should be. Moreover, the inevitable duplication of services between federal, state, and local officials is bound to be a drain in a country with limited resources. Most of all, federalism has reinforced ethnicity as the most important and disruptive issue in Nigerian political life. It has helped provide areas of "home rule" for the major ethnic groups, just as the redrawing of state lines has done in India. But it also has made ethnic identity the main stepping-stone to political power; however, the national leaders have tried to write rules for national political parties and other institutions.

The presidential system is expensive because it feeds the 37 chief executives and their retinue of ministers, commissioners, advisers and other aids on the one level and 774 mini executives, supervisory councillors and aids at the local government level. State governments currently serve the purpose of creating political offices for governors, commissioners, special advisers, special assistants etc., with a huge drain on the public purse. Each state has about 17 commissioners, 10 special advisers and scores of special assistants, most of whom are idle, as the Governor, his kitchen cabinet and godfather run the state as his fiefdom. Added to that is the financial burden of having to maintain

The promise of state creation has also become an attractive carrot to dangle before the insufficiently discerning group of Nigerian voters who feel short-changed in their current states in their quest for access to political power.

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the state legislature with the attendant opulent requirements, against the backdrop of the crying needs of the general citizenry. Statism also destroys allegiance to the Nigerian state. Statism rather than nationalism has been inadvertently inculcated into the subconscious mind of the average Nigerian, as it has even desecrated the minds of the high and mighty. It is the consideration for the statism factor that would make an elected governor in one of the south eastern state embark on a policy of “disengagement of non-state indigenes who are civil servants of that state to their home states”, notwithstanding their ethnic similarities. It is the same statism factor that would make an elected governor in one of the South-western states round up some people termed “undesirable” off the streets and “deport” them to their “state of origin” under the cover of the night as if they have no right of abode status as Nigerians⁴³.

It is instructive to also note that the promise of state creation has also become an attractive carrot to dangle before the insufficiently discerning group of Nigerian voters who feel short-changed in their current states in their quest for access to political power. This promise is made by wily political office seekers notwithstanding the cumbersome and near-impossible constitutional obstacles on the path of state creation in a civilian dispensation. The cry of marginalisation is across the land. Unfortunately, even with all the best of intentions,

Where the mass of the people have sound conscience, morals and habit, the nation will be ruled honestly and nobly.

it would be unrealistic if not impossible to expect that states can be continually created to satisfy every agitation and cry of marginalisation. It was, therefore, a big surprise to see the 2014 National Conference also fall into the same trap and recommend the creation of additional 19 states to bring the total number of states to 55. If this decision is ever implemented, it will be the last straw that will bankrupt the Nigeria state and lead it down the slippery and dangerous road of a failed state.

The most potent argument against the continued sustenance of the state government structure is the allocation of over 70% of the total national budget to recurrent expenditure. That is clearly indefensible and unsustainable anymore with an enlightened citizenry. Furthermore, the impunity with which the state resources are brazenly plundered in many cases cannot be so impudently executed at the local government level at least as far as one knows, due to greater sense of communal accountability pressures. It is proposed that the governance structure in Nigeria should comprise of a Federal Government at the centre, providing the constitutional duties currently assigned at the centre, including defence, external relations etc. Hierarchically below this, should be a constitutionally recognised six geopolitical zones, and under them should be the states, while the local governments should be abolished.

43 <http://www.punchng.com/opinion/restructuring-nigeria-abolish-states/>

Influence of character

Most Nigerians believe very strongly that the problem with Nigeria is an absence of leaders that can transform Nigeria in the mould of Lee Kwan Yew, Nelson Mandela, or Manhattan Ghandi and become heroes of the people. However, it has been said that a people deserve the leaders that they get. According to Samuel Smiles "In the long run, the leadership or the government is usually no better than the people governed. Where the mass of the people have sound conscience, morals and habit, the nation will be ruled honestly and nobly. But where they are corrupt, self-seeking, and dishonest in heart, bound neither by truth nor bylaw, the rule of rogues and wirepullers becomes inevitable".⁴⁴ Consequently, the people as well as the nation must have character as a prerequisite to system being able to throw up good leaders which will in turn further impact on the character of the people. The two must feed on each other to grow. But in this context what is character? The Merriam Webster dictionary defines character as the set of qualities that make a place or thing different from other places or things. In individuals, what is really inferred is the moral character. Morality (from the Latin *moralitas* "manner, character, proper behavior") is the differentiation of intentions, decisions, and actions between those that are "good" (or right) and those that are "bad" (or wrong). Morality can be a body of standards or principles derived from a code of conduct from a particular philosophy, religion, culture, etc., or it can derive from a standard that a person believes should be universal.⁴⁵ Morality may also be specifically synonymous with "goodness" or "rightness." Immorality is the active opposition to morality (i.e. opposition to that which is good or right), while amorality is variously defined as an unawareness of, indifference toward, or disbelief in any set of moral standards or principles.

Moral character or character is an evaluation of a particular individual's stable moral qualities. The concept of character can imply a variety of attributes including the existence or lack of virtues such as empathy, courage, fortitude, honesty, and loyalty, or of good behaviors or habits. Moral character primarily refers to the assemblage of qualities that distinguish one individual from another - although on a cultural level, the set of moral behaviours to which a social group adheres can be said to unite and define it culturally as distinct from others. Psychologist Lawrence Pervin defines moral character as "a disposition to express behavior in consistent patterns of functions across a range of situations."⁴⁶ There are two approaches when dealing with moral character: Normative ethics involve moral standards that exhibit right and wrong conduct. It is a test of proper behaviour and determining what is right and wrong. Applied ethics involve specific and controversial issues along with a moral choice,

⁴⁴ Samuel Smiles: Character – Helps to Personality growth Abridged page 23

⁴⁵ Stanford University (14 March 2011). "The Definition of Morality". Stanford Encyclopedia of Philosophy. Stanford University. Retrieved 22 March 2014

⁴⁶ Pervin, Lawrence (1994). "A Critical Analysis of Current Trait Theory", *Psychological Inquiry* 5, pp. 103–113.

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and tend to involve situations where people are either for or against the issue.⁴⁷

Character exhibits itself in conduct, guided and inspired by principle, integrity, and practical wisdom. In its highest form it is the individual will acting energetically under the influence of religion, morality, and reason. It chooses is thoughtful, caring and considerate, is steadfast, esteeming duty above reputation and the approval of conscience more than the world's praise. While respecting the personality of others, it preserves its

The challenge that Nigeria faces is a dearth of men and women of character, of integrity, of honest work, words or action.

own individuality and independence. It has the courage to be morally honest, though it may be unpopular. On the other hand, energy without integrity and a soul of goodness, may only represent the embodied principle of evil. According to the business guru Warren Buffet alas the Oracle of Omaha, "Look for three things in a person - Intelligence, Energy and Integrity' if they don't have the last one, don't even bother with the first two". Very different is the man of energetic character,

inspired by a noble spirit, whose actions are governed by rectitude, and the law of whose life is duty. He is just and upright - in his business dealings, his public action, and his family life-justice being as essential in the government of a home as of a nation. He will be honest in all things - in his words and in his work. He will be generous and merciful to his opponents, as well as to those who are weaker than himself. The man of character is conscientious. He puts his conscience into his work, his words and his action. The man of character is also reverential.

The challenge that Nigeria faces is a dearth of men and women of character, of integrity, of honest work, words or action. Truth has taken flight amongst the majority of the people while what matters is money irrespective of how it is acquired. Even religious leaders who are supposed to be the morass compass of the people have joined the fray. The youths are not any better and yet, these are the leaders of tomorrow.

Any discretionary powers granted to the average Nigerian from the gate man to the chief executive is seen as an opportunity to extort rather than a call to duty.

Yet, the possession of this quality of character underlined by reverence marks the noblest and highest type of manhood and womanhood. Men of genuine excellence in every station of life-men of industry, integrity, high principle, and sterling honesty of purpose-command the spontaneous homage of mankind. It is natural to believe in such men, to have confidence in them, and to imitate them. Reverence which is another word for religion, which binds men to each other,

⁴⁷ Timpe, Kevin (2007). "Moral Character [Internet Encyclopedia of Philosophy]". lep.utm.edu. Retrieved 2013-11-15.

and all to God is indispensable to the happiness of individuals of families and of nations. Without it there can be no trust, no faith, and no confidence either in man or God. Without it there can be neither social peace nor social progress.

Man's life is "centred in the sphere of common duties. Commonplace though it may appear, this doing of one's Duty embodies the highest ideal of life and character. There may be nothing heroic about it. When Dr. Abbot, afterwards Archbishop of Canterbury, drew the character of his deceased friend Thomas Sackville Lord Buckhurst, Lord High Treasurer under Elizabeth and James I, he did not dwell upon his merits as a statesman or his genius as a poet but upon his virtues as a man in relation to the ordinary duties of life. "How many rare things were in him!" said he. "Who more loving unto his wife? Who kinder unto his children? Who faster unto his friend? Who more moderate unto his enemy? Who more true to his word?"⁴⁸ Indeed, we can always better understand and appreciate a man's real character by the manner in which he conducts himself towards those who are the most nearly related to him, and by his transaction of seemingly commonplace details of daily duty, than by his public exhibition of himself as an author, an orator, or a statesman. According to Character by Samuel Smiles, "while Duty, for the most part, applies to the conduct of affairs in common life by the average of common men, it is also a sustaining power to men of the very highest standard of character. They may not have either money, or property, or learning, or power. And yet they may be strong in heart and rich in spirit-honest, truthful dutiful. And whoever strives to do his duty faithfully is fulfilling the purpose for which he was created, and building up in himself the principles of a manly character. There are many persons of whom it may be said that they have no other possession in the world but their character, and yet they stand as firm upon it as any crowned king". How many Nigerians see a call to duty as a way to improve society and achieve their mission on earth rather than a checkpoint to extort money from the people around him or to oppress them to subservient submission? Any discretionary powers granted to the average Nigerian from the gate man to the chief executive is seen as an opportunity to extort rather than a call to duty. Unfortunately, careful thought is not given to the vanity of wealth. Wealth has less of a connection with elevation of character. On the contrary, it is much more frequently the cause of its corruption, and degradation. Wealth and corruption, luxury and vice, have very close affinities to each other. Wealth, in the hands of men of weak purpose, of deficient self-control, or of ill-regulated passions, is only temptation and a snare – the source, may be, of infinite mischief both to themselves and to others. On the contrary, a

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⁴⁸ (The Life of Archbishop Abbot: <http://quod.lib.umich.edu/e/ecco/004840865.0001.000/1:4?rgn=div1;view=fulltext>)

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condition of comparative poverty is compatible with character in its highest form. A man may possess only his industry, his frugality, his integrity, and yet stand high in the rank of true manhood. Character is property. It is the noblest of possessions. It is an estate in the general goodwill and respect of men. They who invest in it – though they may not become rich in this world's goods-will find their reward in esteem and reputation fairly and honourably won. And it is right that in life good qualities should tell - that industry virtue, and goodness should rank the highest and that the really best men should be foremost. Simple honesty of purpose in a man goes a long way in life; if founded on a just estimate of himself and a steady obedience to the rule he knows and feels to be right. It holds a man straight, gives him strength and sustenance, and forms a mainspring of vigorous action. "No man," once said Sir Benjamin Rudyard, "is bound to be rich or great-no, nor to be wise; but every man is bound to be honest."

Nations too should have character. Nations are not to be judged by their size any more than individuals. For a nation to be great, it need not necessarily be big, though bigness is often confounded with greatness. A nation may be very big in point of territory and population and yet be devoid of true greatness. The people of Israel were a small people, yet what a great life they developed, and how powerful the influence they have exercised on the destinies of mankind! Greece was not big: the entire population of Attica was less than that of South Lancashire. Athens was less populous than New York; and yet it was

The greatness of a country does not depend upon the extent of its territory, but on the character of its people.

great in art, in literature, in philosophy, and in patriotism. (A public orator lately spoke with contempt of the Battle of Marathon, because only 192 perished on the side of the Athenians, whereas by improved mechanism and destructive chemicals, some 50,000 men or more may now be destroyed within a few hours. Yet the Battle of Marathon, and the heroism displayed in it, will probably continue to be remembered when the gigantic butcheries of modern times have been forgotten). But it was the fatal weakness of Athens that its citizens had no true family or home life, while its

freemen were greatly outnumbered by its slaves. Its public men were loose, if not corrupt, in morals. Its women, even the most accomplished, were unchaste. Hence its fall became inevitable, and was even more sudden than its rise. In like manner, the decline and fall of Rome was attributable to the general corruption of its people, and to their engrossing love of pleasure and idleness-work, in the later days of Rome, being regarded only as fit for slaves. Its citizens ceased to pride themselves on the virtues of character of their great forefathers; and the empire fell because it did not deserve to live. And so the nations that are idle and luxurious-that "will rather lose a pound of blood," as old Burton says, "in a single combat, than a drop of sweat in any honest labour" - must inevitably die out, and laborious energetic nations take their place. When Louis XIV asked Colbert how it was that, ruling so great and populous a country as France, he had been unable to conquer

so small a country as Holland, the minister replied: "Because, Sire, the greatness of a country does not depend upon the extent of its territory, but on the character of its people. It is because of the industry, the frugality, and the energy of the Dutch that your Majesty has found them so difficult to overcome."

Nations have their character to maintain as well as individuals. Under constitutional governments - where all classes more or less participate in the exercise of political power the national character will necessarily depend more upon the moral qualities of the many than of the few. And the same qualities which determine the character of individuals also determine the character of nations. Unless they are high minded, truthful, honest, virtuous, and courageous, they will be held in light esteem by other nations, and be without weight in the world. To have character, they must also be reverential, disciplined, self-controlling, and devoted to duty. The nation that has no higher god than pleasure, or even dollars, must be prepared to be in a poor way. Institutions, however good in themselves, will avail but little in maintaining the standard of national character. It is the individual men, and the spirit which galvanizes them, that determine the moral standing and stability of nations. The only true barrier against the despotism of public opinion, whether it be of the many or of the few, is enlightened individual freedom and purity of personal character. Without these, there can be no vigorous manhood, no true liberty, in a nation. Political rights, however broadly framed, will not elevate a people individually depraved.

Indeed, the more complete a system of popular suffrage, and the more perfect its protection, the more completely will the real character of a people be reflected, as by a mirror, in their laws and government. Political morality can never have any solid existence on a basis of individual immorality. Even freedom, exercised by a debased people, would come to be regarded as a nuisance, and liberty of the press nothing but the vent of licentiousness and moral abomination. In the final analysis, stability of institutions must depend upon stability of character. Any number of depraved units cannot form a great nation. The people may seem to be highly civilised, and yet be ready to fall to pieces at first touch of adversity. Without integrity of individual character, they can have no real strength, and soundness. They may be rich, polite, and artistic; and yet hovering on the brink of ruin. If living for themselves only, and with no end but pleasure—each little self his own little god—such a nation is doomed, and its decay is inevitable. Where national character ceases to be upheld, a nation may be regarded as next to lost. According to Samuel Smiles, "where a nation ceases to esteem and to practise the virtues of truthfulness, honesty, integrity, and justice, it does not deserve to live. And when the time arrives in any country when wealth has so corrupted, or pleasure so depraved, or faction so infatuated the people, that honour, order, obedience, virtue, and loyalty have seemingly become things of them past; then, amidst the darkness, when honest men - if, there be such left - are groping about and feeling for each other's hands, their only remaining hope will be in the restoration and elevation of Individual Character;

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for by that alone can a nation be saved; and if character be irrecoverably lost, then indeed there will be nothing left worth saving”.

The best sort of character, however, cannot be formed without effort. There needs the exercise of constant self-watchfulness, self-discipline, and self-control. There may be much faltering, stumbling, and temporary defeat; difficulties and temptations manifold to be battled with and overcome; but if the spirit be strong and the heart be upright, no one need despair of ultimate success. In the affairs of life or of business it is not intellect that tells so much as character - not brains so much as heart --not genius so much as self-control, patience, and discipline, regulated by judgment. Hence there is no better provision for the uses of either private or public life than a fair share of ordinary good sense guided by rec-

**Good sense,
disciplined by
experience
and inspired
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wisdom**

titude. Good sense, disciplined by experience and inspired by goodness, issues in practical wisdom. Indeed, goodness in a measure implies wisdom-the highest wisdom-the union of the worldly with the spiritual. The best sort of character, however, cannot be formed without effort. There needs the exercise of constant self-watchfulness, self-discipline, and self-control. There may be much faltering, stumbling, and temporary defeat. There may be difficulties and temptations manifold to be battled with and overcome. But if the spirit be strong and the heart be upright, no one need despair of ultimate

success. The very effort to advance-to arrive at a higher standard of character than we have reached is inspiring and invigorating. Even though we may fall-short of it, we cannot fail to be improved by every honest effort made in an upward direction. In 1982 V. Campbell and R. Bond proposed the following as major factors in influencing character and moral development: heredity, early childhood experience, modeling by important adults and older youth, peer influence, the general physical and social environment, the communications media, the teachings of schools and other institutions, and specific situations and roles that elicit corresponding behavior. Campbell, V., & Bond, R. (1982). "Evaluation of a Character Education Curriculum". In D. McClelland (ed.), *Education For Values*. (New York: Irvington Publishers). As described in Huitt, 2004. The six cardinal elements of good character worth cultivation for a people as well as for a nation are: ⁴⁹

Trustworthiness: Be honest • Do not deceive, cheat, or steal • Be reliable - do what you say you'll do • Have the courage to do the right thing • Build a good reputation • Be loyal - stand by your family, friends, and country.

Respect: Treat others with respect; follow the Golden Rule • Be tolerant and accepting of differences • Use good manners, not bad language • Be considerate of the feelings

49 See more at: <http://charactercounts.org/sixpillars.html#sthash.rvKyXFHA.dpuf>

of others • Don't threaten, hit or hurt anyone • Deal peacefully with anger, insults, and disagreements

Responsibility: Do what you are supposed to do • Plan ahead • Persevere, keep on trying! • Always do your best • Use self-control • Be self-disciplined • Think before you act - consider the consequences • Be accountable for your words, actions, and attitudes • Set a good example for others.

Fairness: Play by the rules • Take turns and share • Be open-minded; listen to others • Don't take advantage of others • Don't blame others carelessly • Treat all people fairly

Caring: Be kind • Be compassionate and show you care • Express gratitude • Forgive others • Help people in need

Citizenship: Do your share to make your school and community better • Cooperate • Get involved in community affairs • Stay informed; vote • Be a good neighbour • Obey laws and rules • Respect authority • Protect the environment • Volunteer

The promised land and a resilient people

Indeed, it is a paradox that Nigeria, the world's eighth largest exporter of crude oil, a country endowed with many resources, still has more than 68% of its population living below the poverty line, as a result of corruption and economic mismanagement. Pathetically, the logic of the Nigerian political leadership class as espoused by the behavioural traits of its elites, has been that of self-service mired in the pursuit of selfish and personal goals at the expense of broader national interests. Consequently, emphasis has been on personal aggrandisement and self-glorification, with the result of corruption becoming the synonym for explaining political leadership in Nigeria in relation to the management of our national wealth. It has been shown that Nigeria's comparators have grown economically and enjoyed steady development in virtually all spheres of national life mainly because they have experienced selfless leadership which puts the nation first at all times. This is largely dependent on the known fact that qualitative growth and development has always been an outcome of good governance resulting from political and economic freedoms, which the Nigerian people have not benefited from due to bad leadership. Commenting on the experience of the Nigerian nation, the renowned novelist, Chinua Achebe, insisted that the root cause of the Nigerian predicament should be laid squarely at the foot of bad leadership. "The trouble with Nigeria," Achebe argued, is simply and squarely a failure of leadership. There is nothing basically wrong with the Nige-

Qualitative growth and development has always been an outcome of good governance resulting from political and economic freedoms, which the Nigerian people have not benefited from

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rian character. There is nothing wrong with the Nigerian land, climate, water, air, or anything else. The Nigerian problem is the unwillingness or inability of its leaders to rise to their responsibility, to the challenge of personal example, which is the hallmark of true leadership⁵⁰.

Leadership has been defined in so many ways that it is hard to come up with a single working definition. However, leadership may be defined as a body of people who lead and direct the activities of a group towards a shared goal. It also denotes the ability to lead, direct and organise a group. In line with this understanding, Norman Schwarzkopf⁵¹ describes leadership as a potent combination of strategy and character and strongly emphasised that, of the two elements, character is the most preferred for leadership. Bennis and Nanus,⁵² in their ground breaking work, *Leaders: The Strategy of Taking Charge*, revealed the four key principles every manager should portray. They are, attention through vision, meaning through communication, trust through positioning, and the deployment of self. Successful leaders at public or private level must master and display the same basic skills. Drawing from in-depth interviews with leaders from both the public and private sectors, the authors challenged traditional myths about leadership and showed that it constitutes a set of skills that can be isolated, studied, and mastered. They have amplified this to include the fact that: Leadership is about character.

Chart 13:1 Elements of Good Leadership



Source: *Great leadership is Good Leadership Jeffrey Gandz (2007)*

- Leaders must create an organisation that fosters intellectual capital.
- Leaders must display a passion to realise their vision.
- Leaders must be able to generate and sustain trust.
- Leaders must be able to convince others to sign on to their vision.
- Leaders must display a bias towards action.

50 Achebe, C. (1984). *The Trouble with Nigeria*. Oxford: Heinemann Educational Publishers.

51 Norman Schwarzkopf quoted in Reed, P. J. (2001). *Extraordinary Leadership: Creating Strategies for Change*. London: Kogan Page.

52 Warren Bennis and Burt Nanus. (1997). *Leaders: The Strategy of Taking Charge*

A leader, therefore, is expected to demonstrate qualities, which embrace but are not limited to good character, vision, tact, prudence, and ability to lead by example because, people basically ascribe leadership to those who they feel can make them achieve important goals or objectives. Effective leaders drive for results "now", while simultaneously building for the future. It is simply not acceptable to view these as trade-offs, it's perhaps done by coaches of perpetually losing sports teams. The performance bar is continually being raised to improve by three, four, six percent or more than that of the previous year. This is baked into the expectations that we have of leaders of organisations today⁵³. A leader must have courage. It is moral courage that characterizes the highest order of manhood and womanhood.

There is a needed courage to live honestly within one's own means, and not dishonestly upon the means of others.

It is the courage to seek and to speak the truth, the courage to be what we really are, and not pretend to be what we are not. It is the courage to be just. It is the courage to be honest. It is the courage to resist temptation, and the courage to do one's duty. There is a needed courage to live honestly within one's own means, and not dishonestly upon the means of others. If men and women of Nigeria particularly the leadership do not possess this virtue, there will be no assurance that the underprivileged stand any chance nor will equity and fairly be a cardinal ethos.

What is required is a leadership that builds a clock to tell the time rather than one that specialises in time telling. Having a charismatic visionary leader is "time telling"; building institutions that make nations prosper and grow far beyond the presence of any single leader and through multiple elections of economic cycles is "clock building". Imagine you met a remarkable person who could look at the sun or stars at any time of day or night and tells the exact time and date - "It's April 23, 1401, 2:36:12 am". This person would be an amazing time teller, and we'd probably revere that person for the ability to tell the time. But wouldn't that person be even more amazing if, instead of telling the time, he or she built a clock that could tell the time forever, even after he or she was dead and gone? Visionary leaders concentrate primarily on building institutions and a ticking clock - rather than hitting on one great idea or achieving a transient success in his or her life time. And instead of concentrating on acquiring the individual personality traits of visionary leadership, they take an architectural approach and concentrate on building national institutions. The primary output of their efforts is not the tangible implementation of a great idea, the expression of a charismatic personality, the gratification of their ego, or the accumulation of personal wealth. Their greatest creation is the nation itself and what it stands for.

53 Gandz, J. (2005). The Leadership Role. Ivey Business Journal 66(1): 5.

Clock building is the central force of character, which must be trained and sustained by the habits of making the right decisions. To do otherwise will lead to weakness of neither being able to resist evil nor follow good as one sits on the fence as it were turning into a visionary or tyrant. Men may know what is right and yet fail to exercise the courage to do the right. Being able to take decision gives the power of standing firmly and being careful when to yield, however slightly, as this might be only the first step in a downhill course to ruin. The leader must resist being a slave to rank or class. Some are slaves of fashion. Others are slaves of custom. Still others are slaves of opinion. There are a few who have the courage to think outside their sect, to act outside their circle, or to step out into the free air of individual thought, though it may be at the risk of debt, ruin, and misery. Nevertheless, there are certain states of society and conditions of affairs in which a man is bound to speak out. He is bound to be antagonistic, when conformity is not only a weakness but a sin. Great evils are in some cases only to be met by resistance. According to J.M. Barrie, "the world is a dangerous place to live, not because of the people who are evil, but because of those who do nothing about it." Evil cannot be condoned but must be battled down. The leader must lead the charge against evil by calling a spade a spade otherwise what will be courted is disaster. Hence the leader must have the courage of conviction to confront the ills of society.

The problems facing Nigeria are surprisingly very few but weighty. Firstly, corruption needs to be fought and eliminated, as no meaningful progress in other areas can be made, with the cancerous level that it has risen to in Nigeria. Secondly, the country requires to be restructured to enable effective government at a considerably reduced cost. Thirdly,

The United States of America's state primaries, popularly called "beauty contests" are worthy of emulation...the major advantage is that candidates move from state to state, taking part in primary election in each state

there is the need for a leadership that will be able to galvanise the people and reconcile the conflicting and contending forces across the nation towards achieving a corruption-free, smart, cost-effective, politically and economically pluralist nation. This is all Nigeria needs. Suffice, therefore, to say that, such leadership needs to work relentlessly with the view to develop this compelling future vision of the nation state; enlists the support of others across the length and breadth of the country in achieving this vision; energises, enables, and encourages high performance; empowers people to act within an agreed vision; and to be exemplars of the values of the nation. This requires both competencies

and character. Competencies determine what leaders are able to do; character determines what they will do, and how they will exercise those competencies under various circumstances. Good leaders, especially those, who endure, are seldom one-dimensional, simple individuals. They are often complex, contradictory and multi-faceted, especially in how they respond to different situations: confident and humble, assertive and patient, analyt-

ical and intuitive, deliberate and decisive, principled and pragmatic, among others.

History of the political development of Nigeria since Independence has shown that the reins of government has always fallen into the hands of a political leadership class who have not possessed the qualities discussed above, but showed more interest in private, group or ethnic gains than in the general well-being of the Nigerian state. This is not surprising as none of the Nigerian presidents, with the exception of late General Abacha, has had the desire or ambition to lead Nigeria. Consequently, none had prepared himself for such a very important leadership position. Even Abacha had a plan on what he wanted to achieve in office. Unfortunately, his thoughts and plans were not entirely altruistic.

In this regard, the United States of America's state primaries, popularly called "beauty contests" are worthy of emulation. The series of presidential primary elections and caucuses held in each U.S. state and territory is part of the nomination process of United States presidential elections. This process was not part of the United States Constitution, but was created over time by the political parties. Some states only hold primary elections, some only hold caucuses, and others use a combination of both. These primaries and caucuses are staged between January and June before the general election in November.

There is an urgent need for the leadership to take charge and chart a vision for the country that will liberate all citizens and unleash their innate capabilities.

The primary elections are run by state and local governments, while caucuses are private events that are directly run by the political parties themselves. A state's primary election or caucus is usually an indirect election –instead of voters directly selecting a particular person running for president, it determines how many delegates each party's national convention will receive from their respective state. These delegates then in turn select their party's presidential nominee. Each party determines the number of delegates to be assigned to each state. Along with those delegates chosen during the primaries and caucuses, state delegations to both the Democratic and Republican conventions also include "unpledged" delegates, usually current and former elected officeholders and party leaders, who can vote for whoever they want. The major advantage is that candidates move from state to state, taking part in primary election in each state. Although it is an expensive business, it gives the choice of a presidential candidate to the grass root where it truly belongs. Besides, a candidate has to really want to be president, know what he or she will do for the country, as represented in the programmes or platform upon which he is campaigning and be in robust health to attend to 36 states primaries. Selecting a candidate who really wants to be president and who knows what he or she wants to do for the country will make all the difference in leadership selection. This will be a clean break from the past and as late Chief MKO Abiola said in one of his rib cracking proverbs, "Stop Nigerians from not preparing food for

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somebody who has not said he is hungry". A candidate that is challenged in every state to declare his or her programme or manifesto will obviously take leadership more seriously.

In any case, political power has been alternated between the civilian and the military since Independence and neither of these two categories has done better in terms of corruption ratings. Indeed, the political leadership class has succeeded in entrenching corruption by providing a fertile ground and an environment conducive for the phenomenon to thrive incurably at the expense of national socio-economic, cultural and political development. Historically, as proven in this work, the origin of corruption in Nigeria predates the colonial era. According to a Colonial Government Report (CGR) of 1947, "The African's background and outlook on public morality is very different from that of the present day Briton. The African in the public service seeks to further his own financial interest⁵⁴". Before Independence, there have been cases of official misuse of resources for personal enrichment⁵⁵. Over the years, Nigeria has seen its wealth wither, with little or nothing to show for it in living standards of its citizens. It is necessary to mention here that the political leadership class in Nigeria is not alone in enwrapping themselves in corrupt practices. Many other nations, both in the developed and emerging economies, are also involved in this quagmire, exemplified in the Transparency International Corruption Perception Index.

The worry is that not much is being done by the leadership class to redeem itself. When the political leadership class of a country espouses corruption, it becomes difficult for it to act

The leadership should foster competitiveness politically and economically by creating institutions, infrastructure, health and primary educational opportunities.

positively to the benefit of the state and its citizens. This has been the situation in the Nigerian state since Independence. The political leadership class, in its quest to secure or retain power, suppress opposition, and have access to unlimited funds for personal use, have sacrificed positive leadership on the altar of corruption. Indeed, from the first generation of political leadership class through the successive military and civilian generation of political leaders, Nigerian political leadership had grown continually in corrupt practices. Political corruption has become a cancerous phenomenon that

pervades the Nigerian state unrestrained. Over the years, there has been the development of a vast system of institutionalised political corruption most times emanating from the very top and pervading all governmental institutions with perverse influence on the entire society.

54 Okonkwo, R. (2007). Corruption in Nigeria: A Historical Perspective (1947 – 2002). In African Unchained. Retrieved from <http://africaunchained.blogspot.com/2007/09/corruption-in-nigeriahistorical.html>

55 Storey, B. (1953). Report of the Commission of Inquiry into the Administration of Lagos Town Council. Lagos: Government Printer

Obviously, the nation cannot move on without looking back, because a people without a history can be likened to a tree without roots. The fact is obvious that there really was never a golden age of great leadership in the history of Nigeria. The lack of competent, responsible leaders with integrity, vision, high moral values has been the bane of the country. It is simply disheartening that Nigeria, a country blessed with natural resources and manpower is now doomed with uncertainty where abject poverty, high unemployment rate, insurgency, frequent killings, unresolved assassinations, looting and squandering of public funds, etc., have become the order of the day, all as a consequence of corruption.

There is an urgent need for the leadership to take charge and chart a vision for the country that will liberate all citizens and unleash their innate capabilities. The Nigerian political leadership class must rise up to the occasion and not continue to give excuses for failure. In spite of the faulty structure, a good leadership can still do a lot. It must be borne in mind that no matter how perfect or excellent the constitution or other instruments for ensuring accountability and checking corruption in the country might be, all will come to naught save the political leadership shows the political will to abide by and enforce them. It is important that the political crowd with its natural intelligence be allowed to choose who the leaders should be. It is important that, in this age of technology and in a rapidly changing world, the Human Development Index of Nigeria, must be improved. In order to do so, the Nigerian leader of tomorrow must address the contradictions that hold back the nation-state. There is a need to build a culture of honesty and establish a tradition of selflessness and patriotism in public service. In Britain, responsible government began with the emergence of leaders who vied for positions after they had laboured enough to amass substantial wealth. They were part of government, not to increase their fortunes, but to contribute to the country; an attitude reminiscent of JF Kennedy's remark, "Ask not what your country can do for you; ask what you can do for your country⁵⁶".

Nigeria needs a leadership that will mobilise the immeasurable talents enshrined in the diversity of the people to attain political and economic heights that it merits as the giant of Africa.

If Nigeria, in the condition where nothing works, can grow economically to have the largest economy in Africa, then the height to be attained when the country moves positively in the right direction can only be imagined. The trillion-dollar economy is not far away. To achieve this, there must be a complete change of attitude on the part of the government. The leadership must enthrone economic freedom embedded in the rule of law (property rights and freedom from corruption); create open markets (trade,

56 Wraith, R. and Simpkins, E. (1963). *Corruption in Developing Countries*. New York: Norton. Wraith and Simpkins, 1963; Kennedy, 1961.

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investment and financial freedoms); create regulatory efficiency (business, labour and monetary freedoms), whilst ensuring that there is a "small" government with restrained and targeted spending in addition to high fiscal prudence. The leadership should foster competitiveness politically and economically by creating institutions, infrastructure, health and primary educational opportunities, whilst enhancing people's skills to fit into today's technological and enhanced innovativeness.

The leadership should also focus on the improvement of the environment for doing business, particularly as it sets the rules that establish and clarify property rights, reduce the cost of resolving disputes and enhance the predictability of economic transactions. Without good rules that are properly enforced, entrepreneurs would have a harder time starting and growing the small and medium-size firms. It has to improve the quality of the rules underpinning private sector activity and eliminate the opportunities that are created for corruption to fester. Growing businesses is the only way to end extreme poverty and boost shared prosperity. Accordingly, a visionary leader will lead the charge to reduce the cost and complexity of government procedures and also to improve the quality of institutions. These changes will serve to enhance the opportunities open to the poor, as they secure work and begin to improve their standard of living. When more firms join the formal sector, entrepreneurs have a greater chance to grow their businesses and produce jobs, and workers are more likely to enjoy the benefit of regulations, such as social protections and safety regulations. In many parts of the world in recent years, Doing Business data shows that there has been remarkable progress in removing some of the biggest bureaucratic obstacles to private sector activity with concomitant benefits to the countries and their people. Nigeria needs a leadership that will mobilise the immeasurable talents enshrined in the diversity of the people to attain political and economic heights that it merits as the giant of Africa. Nigerians have a right not to expect anything less.

Nigeria can still rise like a phoenix from the ashes

In Greek mythology, a phoenix is a long-lived bird that is cyclically regenerated or reborn. Associated with the sun, a phoenix obtains new life by arising from the ashes of its predecessor. A phoenix is a mythical bird that is a fire spirit with a colourful plumage and a tail of gold and scarlet (or purple, blue, and green according to some legends). It has a 500-1000 year life-cycle, near the end of which it builds itself a nest of twigs that then ignites; both nest and bird burn fiercely and are reduced to ashes, from which a new, young phoenix or phoenix egg arises, reborn anew to live again. The new phoenix is destined to live as long as its old self. The Phoenix's ability to be reborn from its own ashes implies that it is immortal. Nigeria is the phoenix of our time. As was earlier stated, Nigeria is an ordained marriage that cannot and will not fail. There are challenges extensively discussed, but like the mythical phoenix, Nigeria will rise again from the ashes and this should not be taken for granted.

Throughout history, great civilisations or great countries have come and gone with the end of one great civilisation often overlapping the beginning of a new one.⁵⁷ Great nations cease to exist in one of three ways. Firstly, they may be slowly absorbed and assimilated into another more thriving civilisation or nation. Secondly, they may be forcefully conquered by another nation. Thirdly, they may slowly, but methodically, degenerate into a collapsed state. In many cases, the first two causes (assimilation and conquest) often follow a long period of slow, drawn out degeneration of moral values. In the third case (slow degeneration), a decline in moral values is also always present. Hence, it is important to understand how a great empire or nation can fall into disarray. But before degeneration of societies can be understood, it is necessary to recap what it takes to form and function as a great nation or civilisation. A basic model for an ideal civilisation consists of six requirements. They are:

The Phoenix's ability to be reborn from its own ashes implies that it is immortal. Nigeria is the phoenix of our time.

Large, centralised population for productivity: A nation must have a large, centralised population to drive the economic engine. The size of the population should be large enough to provide efficient productivity, but not so large as to exceed the available resources. Extraneous factors, such as war or disease, can throw the population out of equilibrium.

Efficient application of resources or enhancement of productive capacity: A nation is required to efficiently exploit all its natural and human resources, so as to create full employment and continuously improve the standard of living of its people. Emphasis should be on production rather than consumption. Immediate gratification should give way to investment and long term reward. In Nigeria, merit and honesty are punished, while indolence and criminal deviance are rewarded. It is important that reward and punishment are swift and not delayed as to be obtained only in heaven or hell. Arguments of how to share a diminishing wealth while available resources get depleted as in the resource control debate, are common problems in a nation or civilisation that no longer thrives and is on the slippery road to collapse and failure, especially when its leaders are unaware of the problems or are unwilling to remedy the situation, usually due to greed.

Centralised government that can create infrastructure and protection for its citizens: A nation must have an efficient centralised government supported by an appropriate taxation system. The tax rate must be high enough to maintain the society's

⁵⁷ August 2012 How the Decline of Moral Values Promote the Failure of Civilisations. See: bibleblender.com

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infrastructure and to provide protection for its citizens, nothing more. Excessive taxes can result in poor citizens' morale and decreased productivity and in many past civilisations, have been a precursor to collapse. No nation should excessively depend on rent, as this weakens accountability –which is better enhanced by taxation.

Effective leadership that encourages pluralism and inclusiveness: A nation must have an effective leadership that has a clear vision of the future state intended for the people. To this end, it creates an inclusive political and economic society, where all the citizens have a sense of belonging. An extractive leadership or class, which uses all means including corruption and selfish means to keep its citizens poor, for its egotistic benefit, is often a precursor to collapse.

Ability and motivation to innovate for increased revenue generation:

All great nations are born in an environment that allows them to produce innovative solutions to problems. Many great nations began their ascent from a particularly useful innovation, while others continued or accelerated their growth through a ground-breaking achievement. In an environment that allows and promotes economic freedom and innovation among its citizens or government institutions, achievements realised will not only propel the country to compete with other nations but will create economic growth and development for that country.

Religious or moral framework for social unity: Lastly, a nation must have a religious or moral framework that promotes unity and provides a model for cooperation and social cohesion. In most instances, there is usually a popular religion which attracts a majority of citizens and serves as the anchor for the society's moral guidelines. As an historian, Will Durant, pointed out, "There is no significant example in history, before our time, of a society successfully maintaining moral life without the aid of religion". By this, Durant meant sincere and honest practice of the tenets of that religion and not the hypocritical believers that separate their daily actions and way of life, as contradictory to what is preached to them by their religion. The importance of religion to a civilisation's continued existence cannot be underestimated. History has shown that when a society becomes morally corrupt, civility is destroyed, the society becomes unstable, and inevitably the nation falls into a downward slope.

Freedom from bondage creates liberty that leads to great accomplishments:

Most great civilisations can trace their origins to a period of bondage in one way or the other. Controlled and restricted by ruthless leaders, the citizens dream of freedom and unhindered lifestyles. After some time, they inevitably develop the faith and courage needed to forcefully obtain the freedom they so desire. Courage leads to action, and liberty is at last achieved. Operating in a liberated environment that allows free thinking,

civilisations achieve great accomplishments. The freedom to innovate leads to creative solutions which fuels further growth and development. This is the dream that the majority of Nigerians have for the nation on a daily basis.

On the other hand, a society set on destruction allows greed and selfishness to take over its citizens and with time, leads to laziness and economic retardation. Over time, both the rich and poor become greedy, selfish, and self-indulgent. Morals decline, the self-centred, rich and poor alike, begin to take advantage of the “system” with the rich, seeking and obtaining unfair advantage and government favour at the expense of the poor. The poor, on the other hand, take undue advantage of free available social benefits and in the absence of such aids, take to crime. With rent-seeking, laziness and crime abounding, decline in productivity sets in and innovation gets stifled. The society becomes complacent and short-sighted, seeking “quick fixes” where long term solutions are required. Laziness leads to complacency which is followed by apathy. The society becomes indifferent, disconnected, and self-centred. The gulf between the classes continues to widen. The rich seek more government favour in order to rule over the poor and the poor begin to steal and indiscriminately terrorise their fellow citizens in order to survive or get their own share of the national cake which they have been deprived of. The rich and poor alike continue to take advantage of the societal system as both classes begin to resent each other. They become dependent on the government in order to prosper. With all classes seeking to cheat or beat societal norms, legal systems become impotent and government is further weakened. The two parties begin to view the government as the enemy and yet the government becomes more powerless, unwilling or unable to correct societal deficiencies. Strife between the classes may lead to revolt which further destabilises the government. With selfish citizens and a powerlessly corrupt government, the nation begins to drift towards failure and downfall. Ultimately, a weak government, which can no longer protect its citizens, is conquered or the state fails.

A collapsing nation will typically fail to recognise the stage or severity of its decline, until it is too late. If by chance the slumbering people in a nation do recognise the problem in time, those in power may be unwilling or powerless, for one reason or the other (including greed and corruption), to make corrections irrespective of the historical bondage from which the nation had managed to free itself from. George Santayana once said, “Those who cannot remember the past, are condemned to repeat it”. The cycles described above lead to three types of decay that precede the fall of a nation. History is replete with examples of fallen nations and civilisations and inevitably, they all suffered from (1) social decay, (2) cultural decay, and (3) moral decay. Social decay

It is, therefore, of great importance that all men of goodwill, be they from the North, South, East or West, put the facts of history that continue to hold the nation back behind them.

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is evidenced by a society's loss of economic discipline often brought about by a rising bureaucracy that instils so much "red tape" that the nation or civilisation is mired with inefficient processes. The bureaucracy's loss of power often gives way to a crisis of lawlessness. Cultural decay results in a loss of respect for tradition, a weakening of the cultural foundations of the society and an increase in materialism, as a civilisation's successes provide riches beyond what is needed. This rise in materialism relegates important factors, such as education and innovation, to the background. Moral decay occurs as excessive materialism produces a rise in immorality. As traditions are ignored, religion is often neglected and in some cases, restricted by the civilisation's leadership. Violence increases as a civilisation's worth of human life is devalued.

This is all chilling to the spine and no right thinking citizen should wish this for his or her nation even in a dream! Sadly, Nigeria is gradually sliding towards the ills enumerated above. It is, therefore, of great importance that all men of goodwill, be they from the North, South, East or West, put the facts of history that continue to hold the nation back behind them. It is preponderant that the nation be put first, while everyone rallies round to create a strong and positive strategy devoid of ethnicity, religion, creed, greed, self-interest, class and other ills of the past, to rescue it from the looming danger ahead. In particular, the elites should forsake their rent seeking habits and rise above their personal interests and show positive leadership in the defence of a united indivisible nation, where no man is oppressed. In the final analysis, all Nigerians should rise up and live together in accordance with the tenets of the Nigerian pledge which avers: "I pledge to Nigeria, my country, to be faithful, loyal and honest, to serve Nigeria with all my strength, to defend her unity and uphold her honour and glory. So help me God".

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Epilogue

Historic elections and the hope of a new beginning

As this book was being edited for publication in the last quarter of 2014 and first two months of 2015, the government and indeed the people of Nigeria suffered two devastating events. First, the price of crude oil, Nigeria's main export, foreign exchange earner and mainstay of the economy collapsed from above US\$148 to less than US\$50 per barrel.

This severely impacted the economy negatively particularly as the country had little or no buffer in its excess crude account or the newly created Sovereign Wealth Fund to ameliorate the "tsunami" that this event represented. It was as if no one saw this coming as the crude price could not possibly remain as high as it had been in over six years given the international economic and geopolitical factors that determine the price of crude oil. But the Federal government was, as it were, caught off guard either napping or inadequately prepared.

But the "hand to mouth feeding bottle federalism" where consumption and instant gratification trump savings and investment is more to blame given the running battle over the years between the states and the Federal government on the desirability or otherwise of the excess crude account and sovereign wealth fund that were meant to put money aside for the raining days such as now, befell the nation. Most of the court cases instituted by state governments against the Federal government on this issue went as far as the Supreme Court.

At any rate, the country will have to live with the fact that the crash of the price of crude is bound to worsen the economy in the short to medium term with lots of consequences for the whole country. Secondly, the security situation deteriorated significantly with Boko Haram seizing a significant part of the three states Borno, Adamawa and Yobe and setting up a Caliphate with headquarters in Gwoza. They had seized territories from Mubi North, Miduika, Madgali (in Adamawa), Bama, Kala-Balge, Dikwa, Gwoza and Gamboni (in Borno) and Gulani and Gujba (in Yobe) with an estimated total territory of 21,545kms¹. The security situation was dire and people were deeply concerned both by the seeming inaction of the Federal government and the inability of the hitherto powerful Nigerian military to defend Nigerian territories. The woes recorded on the security front compounded the adoption of the 276 Chibok girls by Boko Haram on the night of 14–15 April 2014 that are still missing.

¹ The News Monday 13 April 2015

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All these were happening with four year circle constitutional elections planned for February 14 and 28. The two major parties in the contest were the People Democratic Party (PDP) which formed the government at the centre and a majority of the states pitched against the All People's Congress (APC) which was an amalgamation of the smaller parties that gave it both geographical and political strength to squarely confront the PDP machine that profiles itself as the largest party in Africa which will rule Nigeria for the next 100 years! The PDP campaigned on 'Continuity' whilst the APC campaigned on 'Change'.

The presidential candidates were President Goodluck Jonathan from the South South Zone for the PDP and Major General Muhammadu Buhari from North West Zone for the APC. The APC argued in its campaigns that the party was best positioned to address the three key challenges that Nigeria faced – security, corruption and the need to diversify the economy. The PDP on the other hand said they were fighting these challenges squarely and should be given a chance to complete the work that they started.

To compound the security situation discussed earlier, there were drum beats by some Niger Delta elements that they will not accept defeat of their son while the APC said they will not accept defeat as it would amount to them having been rigged out of victory at the polls given their popular appeal across the length and breadth of the country. This led to deep apprehension by both Nigerians and their international friends.

This set the stage for the most frenzied election in Africa in contemporary times regarding the Nigerian federal elections held Saturday 28 March 2015 when Nigerians voted in the Presidential and National Assembly polls. Indeed, foreign intelligence and diplomatic sources had been quoted several times since 2011 to have predicted the end of Nigeria as a country, consequent upon the outcome of the 2015 elections. A former US Ambassador to Nigeria, Mr. John Campbell was quoted to have insisted that the country would break up in 2015. In a recent report by the seasoned diplomat who had previously served as political counsellor at the U.S mission in Nigeria between 1988 and 1990 and is currently a Senior Fellow at the United States' Council on Foreign Relations, he insisted that the elections will plunge Nigeria in crisis. In the report, titled: Nigeria's 2015 Presidential Election: Contingency Planning Update, which he submitted to the council², Campbell, also the author of a book titled: Nigeria: Dancing on The Brink, correctly reported that President Jonathan is unpopular and may lose the election due to his low performance. As was predicted, tensions grew very high and the Independent National Electoral Commission (INEC) on the advice of the Nigerian Security Authority postponed the elections by six weeks, to March 28 and April 11.

2 <http://www.cfr.org/nigeria/nigerias-2015-presidential-election/p36087>

However, the elections have been held and they were relatively peaceful despite pocket of riots, killings and vandalism here and there. The APC won the election at the federal level with a total of 15,424,921 (53.6%) votes cast as against 12,853,162 (44.96%) for PDP. There were 68 million registered voters, 31,756,490 accredited, a total of 28,587,564 valid votes and 844,519 rejected votes. With this, Nigerians voted for change in the March 28 elections, a situation that was repeated in the April 11 state elections.

That the country did not go under, against predictions by diplomats and western intelligence was the seventh wonder of the world. The tension in the air was so palpable and thick that one could literally cut through it with a knife. President Jonathan doused all the tension when he made a momentous phone call to President-Elect Major General Muhammed Buhari by 5pm on 31 March, 2015 to concede defeat even before INEC had announced the final results. With this bold step the President wrote his name in gold and laid the foundation for a healthy democratic practice as it remains a standard against which future election contenders will now be gauged. President Jonathan must be applauded for being honourable in defeat.

However, the real heroes of the historic electoral triumph are the Nigerian people and the INEC. The leadership of INEC should take credit for conducting the freest, fairest, and most credible election in Nigeria's history. The conduct of this election is only rivalled perhaps by the famed June 12 1993 election, which was annulled by the Ibrahim Babangida's military regime. But for the annulment, Babangida and indeed the head of the electoral commission at the time, Professor Humphrey Nwosu would have remained global heroes of democracy as a result of the creative and very unique electoral process they adopted. Option A4, a process that ensured transparency in the choice of candidates from the point of nomination at the lowest level up to the general election was exemplary in conduct and features. The use of the PVC and Card Reader for accreditation and voting introduced transparency into the process, reduced multiple voting and ballot box stuffing. The integrity and credibility of the electoral process in the March 28 election is a strong factor that will make Campbell and his likes swallow their words and assumptions on the demise of Nigeria as a country.

The 2015 election is a landmark in two particular regard. Firstly, the election was relatively free and fair and as a result the wisdom of the crowd has at last been allowed to prevail in Nigeria. This will no doubt have potent consequences for the polity of the nation. Secondly, this is the first time that a sitting government will be removed and replaced by the opposition. The country had not even been successful in passing the baton of office from the same government to itself before 1999.

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However, governments have changed without interruptions since 1999. That a sitting government is being replaced by the opposition party is the icing on the cake and is an evidence that the Nigerian democracy is maturing. A major lesson from this, especially to the incoming administration of General Muhammadu Buhari is that the social media is now a strong mobilizing force in Nigeria such that no government will ever rule this country without the popular mandate of the people, which will be delivered based on performance. The announcement effect to the incoming administration is loud and clear and this is that the government will be voted out if by the next election Nigeria's human development index has not improved, poverty is still rife, unemployment has not been reduced, and Nigerians still do not have electricity, a stronger national currency, stronger state institutions that will deliver quality services to the people, among other needs. The sustenance of an impartial, trusted and credible electoral system is the only way the power of the people can be reckoned with by those who rule.

All said and done, it is still not Eldorado for Nigerian politics and the Nigerian people. There is still an enormous work to be done. To start with, the Permanent Voter Card (PVC) disenfranchised millions of Nigerians leading to the allegation that INEC pursued a policy of voter suppression. In an interview given by the controversial preacher and social critic, Dr Femi Aribisala to Tunde Ajala in the Punch of April 11, he stated that *"Buhari prevailed as a result of INEC's policy of voter suppression through the instrumentality of the Permanent Voters Cards. There was a deliberate disenfranchisement of the Igbo especially by the manipulation of PVC distribution and allocation to the South-East and the South-South, which discouraged voters known to be Jonathan's supporters. INEC ensured that, far more disproportionately relative to other geopolitical zones, millions of South-East voters disappeared from the register between 2011 and 2015, in order to provide a smooth passage for a Northern presidential candidate; which turned out to be Buhari. Between 2011 and 2015, the votes of the South-West remained virtually constant.*

For example, 4.6 million people of the South West voted in 2011 and 4.2 million in 2015. But compare this with what happened in the South-East. Five million people voted in 2011; only 2.6 million in 2015. That is a drastic and contrived drop of 2.4 million. Everybody knows the South-East voted en masse for Jonathan. While Kano, Katsina, Kaduna, Jigawa, and Bauchi were posting humongous figures; Imo, Anambra, and Abia were posting relatively disappointing figures. Jigawa used to be a part of Kano. In the 2015 election, the votes of Jigawa and Kano combined was 3.1 million; double that of Lagos which was only 1.4 million".

It is difficult to confirm the veracity of this allegation. It must be made clear that voting is a civic responsibility, a fundamental human right for people to freely choose those who should govern them which every citizen should be proud to exercise. Registration in the voters register and collecting PVCs and actually going to polling station to vote are all

part of exercising that right. INEC can carry out enlightenment campaigns to educate the citizens but cannot force them to register, collect their PVCs or actually go to vote. If a section of the country is better at mobilizing its citizens to discharge their civic responsibility, then that is potent force for change that is worth emulating by all the sections of Nigeria. Furthermore, the role of apathy created by a government that is considered to have underperformed and as such has alienated its own support base should not be underestimated. Nevertheless, INEC should start from now, immediately the dust of the 2015 election have settled, to ensure that all eligible voters across the length and breadth of Nigeria are registered and get their PVCs so that the issue of disenfranchisement will not arise in future elections. Furthermore, INEC should use technology to ensure that PVCs can be confirmed at any Card Reader anywhere in Nigeria so that people are not confined to the polling booth in which they are registered. This will further reduce the number of people who cannot vote because they have travelled away from the registered point for one reason or the other.

Most importantly, it is of paramount importance that Nigeria is restructured as has been extensively canvassed in this book. This will remove the do or die political fight for the centre and drastically reduce the cost of the governance at the political and civil service level. A recurrent expenditure of over 80% does not leave much room for enhancement of the human development index, replace the decayed infrastructure and enable a multiproduct economy. It is heartwarming that Major General Muhammadu Buhari in an interview reported by Adamu Abuh in *The Guardian* of 13 April, 2015 also held this view. The President elect said, *"I think the worst thing is the lack of accountability and the terrible budgetary system. Imagine that over 90 percent of Nigerian budget is (spent) on recurrent. How can you sustain development in a developing country with only 10 percent of your income? Things have to change. There must be money available for infrastructure, for investment, in getting factories back, employment and getting goods and services for Nigerians"*. The President elect will no doubt have a pile of reports awaiting him which point fingers not at the budgetary system but at the poor structure of the federation that bloats the cost of government and pushes the recurrent expenditure to far beyond sustainable levels. The Steve Orosanye report that recommended the rationalization of government agencies with overlapping or duplicated functions and responsibilities was extensively discussed in this book and it is a very good point to start.

Fundamentally, Nigeria cannot afford the tension that grips the entire country and its citizens every four year election circle. There is a need to diffuse the tension once and for all. To this end, the recommendations of the National Conference should come in handy. Three recommendations come to mind as they speak to the above issues. Firstly, rotating the presidency amongst six geopolitical zones of the federation will remove the tension of regularly pitching the south against the north in any way or manner. The 1999 election

in which both candidates were from the South West was free of ethnic and religious tension, but was fought purely on political grounds. There is a need to get institutionalized particularly if grass root primaries or **Option A4** type of system is used to throw up the candidates for the parties from the zones. Secondly, it also recommended that ministers and advisers are to be considerably reduced while some ministers should be appointed from the National Assembly. This will reduce the cost of government as well as enhance executive and legislative interface and accountability.

Thirdly, it recommended that the legislature should be on part time basis and be paid sitting allowances only. This will reduce the cost of government and make politics at that level an honourable vocation for those who want to render service to the people. Unfortunately, the APC did not support the conference and they were not represented. As things stand, the party is now saddled with the responsibility of correcting the numerous ills that plague the nation. It will be a good thing if the government gives the recommendations a second look given the patriotic input that came from those eminent Nigerians from all spheres of society that attended the conference. This in itself will be a very good thing as it will give the new government the opportunity to learn by doing, as they draw from the numerous commission of inquiry and reports that were carried out by the outgoing government but were either not implemented or were yet to be implemented.

Finally, one of the reasons advanced in this book for below average performance of Nigerian Presidents is that none of them had seriously wanted to lead the country and were not prepared for that position. For the first time, there is an elected President who has for a long time wanted to lead and has worked and fought for it. Major General Muhammadu Buhari ran unsuccessfully for the office of President in the 2003, 2007 and 2011 elections. In December 2014, he emerged as the Presidential candidate of the All Progressives Congress for the March 2015 elections after a transparent and competitive process.

Buhari won the 2015 general election, defeating the incumbent President Goodluck Jonathan. When he takes office on 29 May 2015 as scheduled it will mark the first time in Nigeria's history that an incumbent elected President will peacefully transfer power to an elected leader of the opposition who has always wanted to lead this country. To want a leadership position for that long and that much one should be clear in his mind what to do with it if he gets it. Nigerians are very positive in their minds that the President elect will deliver democracy dividends. The government therefore carries the very high expectation of Nigerians for a better future. And as such the forthcoming government and the President elect have the best wishes of all.

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When hope is lost or betrayed, what is left of man? Nothing. He is forlorn and disconsolate. The same is applicable to a country. A land can be in the throes of disillusionment, even depression, when hope has been betrayed severally. And in this sorry pass has Nigeria found herself, more than five decades after independence. The potentials of the country remain dreams, mere dreams. All these dashing of dreams leading to despondency are chronicled by the seminal book, *Hope Rekindled*. But is all hope lost? Not so. This book also makes prescriptions on how Nigeria can get out of the cul-de-sac in which she has found herself. A volume truly worth its weight in gold.

- Femi Adesina

This well-researched book generates mixed emotions of sadness and joy as it takes you through how low Nigeria and its people have fallen. However, as it further reveals, the potential of this great country give so much hope and promise for the future. The country's misfortune as clearly established arose from the fact that the leaders abandoned the broad vision that guided the nationalist founding fathers and instead pursued their selfish and tribal interests that have continued to set the country backwards. The book does not only point out the mistakes that have bedeviled all spheres of our national life but also shows how we can knuckle them down for greater heights. The book should be a working manual for current and aspiring public office-holders and policy makers at all levels in the country. Knowing the mistakes of the past is a sure way to navigating the future. The author deserves commendation for this wonderful contribution to the quest for national rebirth.

- Comrade Peter Esole



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