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# ADDRESSING THE STRATEGIC CHALLENGES OF THE CHANGING ROLE OF HUMAN RESOURCE MANAGEMENT (HRM) IN NIGERIA

By

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## Abstract

*The field of Human Resource Management has undergone significant vicissitudes in scope, functions and activities over many years. Consequently, the role of the Human Resource Manager in Nigeria is evolving with the change in competitive market environment and the realization that human resource management must play a more strategic role in the success of an organization. This work tries to study these changing role of human resource management in Nigeria, which include such roles as the strategic partner role, an employee advocate role, change agent role, an administrative expert role and campaigner role. The study also highlighted and extensively discussed the strategic challenges of human resource management in Nigeria, such as changes in the economy, influence of technology, challenges of workplace diversity, organizational restructuring, chain of command, organisational changes, market dynamics, globalization, outsourcing, and offshoring. Consequently, encouraging reputation management and corporate ethics, utilizing the advantages of, diversity of workforce, embolden control and result measurement, enhancing flexibility and creativity were discussed as suggested measures towards alleviating the problems discussed.*

Keywords: Strategic Challenges, Changing Role, Human Resource Management, Employee Advocate, Strategic Partner.

## 1. Introduction

Governments that desire to be effective are increasingly realizing that of the varied factors contributing to the attainment of set goals and objectives, the human resource is

the most critical. Physical assets, such as facilities, products and services or technologies can be cloned or imitated by another organization. Human assets cannot be duplicated and therefore, becomes the competitive advantage that an organization enjoys. The development of any nation, therefore, depends to a very large extent on the calibre, organization and motivation of its human resources. The management of these human assets have been facing enormous challenges in recent times. In an effort to respond to changes in market and social conditions, organizations are constantly in the process of structuring and re-structuring to stay abreast of these complexities, so also are human resource managers. In view of these complexities, human resource managers need to strategically plan and develop the most appropriate and adaptive structure that will allow it to maximize its resources and ultimately, meet organizational goals. Recent studies signify that organizations of today have continued to operate in fast-changing and often unpredictable environments. Globalization, changing demographics, and changing customer relationships are frequently cited as trends that require organizational changes (Crouse et al, 2011). The world in which human resource managers exist and in which they interact, is continually changing, generating new issues and conundrums to consider. While in most cases, managers have a fair degree of choice about how to deal with new ideas and new sets of circumstances, the choices themselves are often difficult (Onah, 2012).

Frequently caught in the midst of these changes is the human resource management (HRM) function which has evolved from a narrow personnel view, to a broader HRM perspective, and then to one that emphasizes a strategic orientation. Recently, the selection of employees in Nigeria organizations now requires careful evaluation of the personal characteristics of the candidate and his/her spouse because of the security challenges. Also, training and development now extend beyond information and orientation, to include sensitivity training and field experiences that will enable the manager to understand cultural differences better. Human resource managers now need to be protected from career development risks, re-entry problems and culture shock, which are among the strategic challenges faced by human resource managers.

Consequently, human resources management practice in Nigeria today, according to Onah (2012), face many challenges that range from constant changes in organisational environment, through unmotivated workforce to shortage of skilled manpower even in the face of heavy unemployment syndrome. Without exception, what keeps executives up at night are decisions about human resources that are rather difficult and delicate: how to select and develop future leaders, how to reward good performance, or how to control labour costs while still treating people fairly. The specific challenges depend on the pressures organisations face. Managing human resources in Nigeria is indeed a challenge (Onah, 2012).

In Nigeria presently, most businesses are conducted on international scale and this embroils the transfer of goods and services, technology, managerial knowledge and capital to various states and countries or across national boundaries. Globalization has

made the world united through the rapidly developing information and communication network. The economies of the world have become increasingly integrated (Bhagwatti, 2004). One of the major problems of human resource management practice in Nigeria lies in the fact that the progress and survival of every business enterprise of this century now entails the acquisition of information and knowledge, and also their application through science, engineering and technology. Knowledge sharing impacts on global enterprises as they export their management philosophies and techniques, as well as their technologies, products and services around the world (Kuruvilla et al, 2003). This is not always obtainable in public organisations in Nigeria as the employees lack the required training to carry out this function. The internet has made communication network to be very easy and also for marketing to take place without necessarily moving from your desk, but it however needs effective training and development on the part of the human resources in the Nigeria organisations to achieve this.

Furthermore, so many factors act as barriers to effective HRM practice in Nigeria. Some of the pertinent issues are that: top management has a low priority and has a narrow view of what the real issues in HRM are. Also, HRM practitioners in Nigeria are perceived to lack sufficient knowledge and skills necessary to implement effective HRM practices at various levels in their organization. HR professionals have not been assertive enough to be present in the boardroom to guide HR programmes to achieve long-term impacts on HR initiatives. This probably points to a lack of adequate drive and communication to apply strategic human resources management (SHRM) fully.

With the rapid expansion of global markets coupled with the view that the whole world is in one market, it has now become imperative for the human resource practitioners in Nigeria to adapt to international human resources needs by moving people, ideas, products and information around the world to meet local needs (Anyim, Ikemefuna, & Mbah, 2011). In addition to these factors, the geographic dispersion, multiculturalism, different legal and social system and cross-border movement of capital, goods, services and people that the international firm faces adds a need for competency and sensitivity that is not found in Nigeria's domestic firm (Vance and Paik, 2006). Therefore, Managers of this century must strive to balance the demand to think globally and acknowledge the changing role of human resource management.

This paper therefore tries to examine the strategic challenges and the changing role of human resource management in Nigeria organizations, with a view to offering suggestions that will be very useful to human resource managers. This was prosecuted through an extensive and careful review of related literature and previous research done by scholars in the field of HRM.

## **2. Concept of Human Resource Management**

Although the notion of Human Resource Management (HRM) has been subject to considerable debate, human resource management doesn't have a generally accepted definition (Bakan, Ersahan & Buyukbese, 2013). According to Storey (1989), it is not

easy to define the term HRM because of its underlying philosophy and character in management issues. Consequently, Bratton and Gold (1994) agreed with Storey's view by stating that HRM is a part of management process that specializes in the management of people in work organizations. HRM highlights that employees are the main resource for obtaining sustainable competitive advantage and its activities need to be integrated with the corporate strategy (Bakan, Ersahan, & Buyukbese, 2013).

Human resource management covers more ground than people might initially imagine. Some may define it as the interactions between employer and employee in the time period between which an employee is hired, until they are terminated. While this is true, human resources management begins even before this, with the policies that are created by the institution, and the laws that govern workplace relations. Using the words of John Storey (1995) 'Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques. This definition implies that human resource management deals majorly with employment management and managing the deployment of capable workforce in an organization. Human resource management was defined by Armstrong (2006) as a strategic and coherent approach to the management of an organization's most valued assets. These assets, according to him, are the people working in an organization who individually and collectively contribute to the achievement of its objectives.

In a general perspective, human resource management can be seen as a set of tools used to recruit employees, form and organise their professional careers, and ensure that employees are assigned to do the adequate tasks. It also connotes the important task of ensuring that the overall performance of an organisation's administration is aligned well with the general and particular objectives that it seeks to accomplish. Specifically, HRM relates to a set of tools which makes it possible to undertake a search for the best possible assignment of people to the required tasks, and a search for the best possible service delivery given the human faculties present (Bechtel, 2009).

Human resource management is also the design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish the organizational goals. Storey (1989) in Armstrong (2006) believes that HRM can be regarded as a set of interrelated policies with an ideological and philosophical underpinning. He suggests four aspects that constitute the meaningful version of HRM as follows:

- a. A particular constellation of beliefs and assumptions;
- b. A strategic thrust informing decisions about people management;
- c. The central involvement of line managers; and
- d. Reliance upon a set of 'levers' to shape the employment relationship.

### **3. Theoretical Issues and Debates in Human Resource Management**

The debate relating to the nature of HRM continues even at present although the focus of the debate has changed over time. The world in which human resource managers exist

and with which they interact is continually changing, generating new issues and conundrums to consider. In one way or another all the major debates that occupy HR professionals, analysts and commentators concern the appropriate response to the major trends which are evolving in our business environment. However, there are variations in scholars' analysis of the extent and nature of these developments and this influences their ideas. For instance, Torrington, Hall & Taylor (2005), distinguished between three separate fields of the debate.

According to them, the first of the debate is concerned with understanding and conceptualising the nature of current responses in organisations. Such responses as; how are the organisations dealing with issues that they face in terms of the management of their employees? Are they developing new approaches that differ fundamentally from those that have been established for some time or are they witnessing a more steady, considered evolution of practice? These constitute the ideas of the first debate.

The second field of debate according to Torrington, Hall & Taylor (2005) focused on what HR managers should be doing. It also focused on some questions such as are new or radical changes in policy and practice necessary? Or is the correct response to environmental developments the further refinement of more familiar approaches? Further debate, according to them, concerns the extent to which the answer to these questions is broadly the same for all employing organisations or whether it differs quite profoundly from industry to industry or firm to firm.

The third debate is concerned with longer-term future developments. According to Torrington, Hall & Taylor (2005), it is believed that we are currently witnessing changes in our business environment which are as fundamental and significant as those which accompanied the industrial revolution two hundred years ago. They further argue that the world of work which will emerge in future decades will be wholly different in major respects from that we currently inhabit. It follows that those organisations which 'see the future' most clearly and change accordingly stand to gain most. But are these predictions really accurate? Could the analysis on which they are built be faulty in key respects? Finding answers to these pertinent questions constitute the ideas of the third debate.

However, Budhwar & Aryee (2008), sculpted a different but akin view of theoretical debates in the field of human resource management. According to them, the debate commenced by attempting to delineate the differences between 'Personnel Management' and 'HRM, and moved on to attempt to incorporate Industrial Relations into HRM (Torrington et al., 2005), examining the relationship of HRM strategies, integration of HRM into business strategies and also devolvement of HRM to line managers and then the extent to which HRM can act as a key means to achieve competitive advantage in organisations (Barney, 1991). Most of these developments, according to them, have taken place over the last couple of decades or so, and have precipitated changes in the nature of the HR function from being reactive, prescriptive and administrative to being proactive, descriptive and executive (Boxall, 1994).



In relation to the expositions on the debate, three perspectives emerged from the existing literature in the field of HRM and these perspectives also revolve round the debate: universalistic, contingency, and configurational (Budhwar & Aryee, 2008)

The **universalistic** perspective posits the ‘best’ of HR practices, implying that business strategies and HRM policies are mutually independent in determining business performance. This perspective is based on the assumption that there is a set of best HRM practices and that adopting them will inevitably lead to superior organizational performance. They are universal in the sense that they are best in any situation. The assumption is that a set practices aimed at high commitment or high performance will benefit all organizations regardless of context (Onah, 2014). Best Practice approach speculate that there is an exact set of HR practices that are applied in almost any organization context which helps in the increase in performance to deliver outcomes which may be valuable for all stakeholders particularly employees. It is based on the idea that there is a set of best HRM practices and its application will help to superior organization performance. This practice could be source from other competitor’s successful strategy. For example, emphasizing the enhancement of employees’ abilities or knowledge and skills through good recruitment and strong training. Another can be through incentives and a reward system; the firm can place emphasis for motivating desired behaviour. Also, by better trained and motivated employees they would have more contribution of ideas and participation.

According to Johnson (2000), the best practice or high performance work practices are described as HR methods and systems that have universal, additive and positive effects on organisational performance. Human resource management (HRM) best practice suggests that a sustained competitive advantage can be developed through its implementation in all business contexts. Using Klein’s words, HRM best practice promotes the use of practices that are considered to affect employee motivation by encouraging them to work harder and smarter. These practices include the use of performance assessments that assess individual or group performance and teamwork as the predominant system of work (Klein, 2004). Best practice promotes the use of practices that encourage participation among employees and allow them to improve how their jobs are performed, such as, the use of cross functional teams and quality circles to increase participation (Huselid, 1995).

The **contingency** perspective emphasises the fit between business strategy and HRM policies and strategies, implying that business strategies are followed by HRM policies in determining business performance. The best fit approach is in line with contingency theory. It emphasizes that HR strategies should be congruent with the context and circumstances of the organization. ‘Best fit’ can be perceived in terms of vertical integration or alignment between the organization’s business and HR strategies (Onah, 2014). It emphasises the contingent relationship or alignment between an organisation’s human resource policies and practices, and its business strategy and in turn the external context of the firm.

The **configurational** perspective posits a simultaneous internal and external fit between a firm's external environment, business strategy and HR strategy, implying that business strategies and HRM policies interact, according to organisational context in determining business performance. A firm with bundles of HR practices (configurational) should have a higher level of performance, provided it also achieves high levels of fit with its competitive strategy. Emphasis is given to the importance of 'bundling' – the development and implementation of several HR practices together so that they are interrelated and therefore complement and reinforce each other (Armstrong, 2006).

#### **4. The Strategic Challenges of HRM in Nigeria**

Human resource managers, due to their changing roles which were influenced by many factors, face so many challenges in trying to adapt to these roles. They include but not limited to the following:

##### **Changes in the Economy**

Several economic changes have occurred that have altered employment and occupational patterns in Africa, particularly, in Nigeria. Nigeria has witnessed several economic changes in recent times and this had some adverse effects on the productivity and performance of employees in their various organizations. One major economic change is the global economic meltdown and removal of fuel subsidy by the Nigeria government in early 2012 which affected human resources management in organizations adversely. Some organizations had to sack some of their employees in order to still remain in existence. Consequently, pressures from global competitors have forced many organizations to ease-off some of their employees in order to reduce their expenditure and increase profit.

##### **Influence of technology**

Major changes in technological advancement also posed some challenges to the management of human resources in Nigeria organizations. The use of the internet has so much influenced the activities of human resource managers. It has drastically reduced the amount of work done by employees since someone can stay in the comfort of his house and transact business effectively. Another major change is the shift of jobs from manufacturing and agriculture to service industries and telecommunications. This shift has meant that some organizations have had to reduce the number of employees, while others have had to attract and retain employees with different capabilities than previously were needed. This shift also leads to continuous changes of job requirements. Also the implementation of computer and internet technology, which led to fundamental changes of work processes and organisational structures, imposes continuous developmental demands to employees.

##### **Challenges of Workplace Diversity**

The future success of any organization relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The

challenge and problems faced by organizations and human resource managers due to workplace diversity can be turned into a strategic organizational asset, if an organization is able to take advantage of this melting pot of diverse talents. Workplace diversity includes age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience. One of the main reasons for ineffective workplace diversity management is the predisposition to pigeonhole employees, placing them in a different positions based on their diversity profile.

### **Chain of Command**

Chain of command thinking originated in an industrial age when work involved more routine activities; when information and communication options were limited, and decision making and authority were clearly placed in the hands of a few individuals at or near the top of an organization chart. Presently, Nigeria organizations experience a plethora of communication options, more intellectually challenging and information based jobs, and this shows the need for faster decision making. The chain of command, in many ways, impedes these new organizational options and needs. When information is available to all employees and communication is liberal, employees appear more comfortable and effective.

### **Organisational Changes**

Continuous organisational changes have become the normal state of affairs in Nigeria firms. These changes are concerned with business reengineering, downsizing, merging, decentralising, and the loosening of organisational boundaries. This shows that employees' roles and activities in organisations are changing faster, allowing them to manage growing responsibilities and tasks at their job. There are also societal changes concerning the importance of certain values which influence human resource management. Different studies demonstrates that traditional values like obedience, discipline, or self-control are losing importance rather values like self-realisation, freedom, and independence are more observable.

### **Market Dynamics**

Market dynamics are characterised by a shift from making products to providing services. This causes a problem as it requires better social competencies of the employees to additionally satisfy customer needs and demands. The market has also become much more aggressive and turbulent, so that companies are under enormous economic pressures and adaptation needs concerning the quantity and quality of their employees. This causes the employees not to be settled and contribute fully to the organisational growth as they are always under pressure to perform.

### **Globalization, Outsourcing, and Offshoring**

Increasing government regulation along with increasing corporate taxation, higher wages, insecurity, unavailability of electricity, the desire for business friendly policies and incentives are causing employers to rethink locations for their operations. There is an overall rise in outsourcing jobs to overseas locations that are viewed as more friendly to business (Heathfield, 2014). This is made possible because of globalisation. Employers seek global, rather than local markets, so that economic factors in one location do not hinder progress. Employers see the positive impacts of locating offices and factories in global markets and tapping the strengths of local employees who are familiar with business and employment practices in the new locations. Whether work is off-shored, outsourced, or the company is simply expanding globally, the challenges to Human Resources with a globally-located workforce are still very serious. Managing and working with these global locations (because of the challenges of doing business in Nigeria), while obeying the laws and honouring the customs of the host country, is a challenge for managers. (Heathfield, 2014).

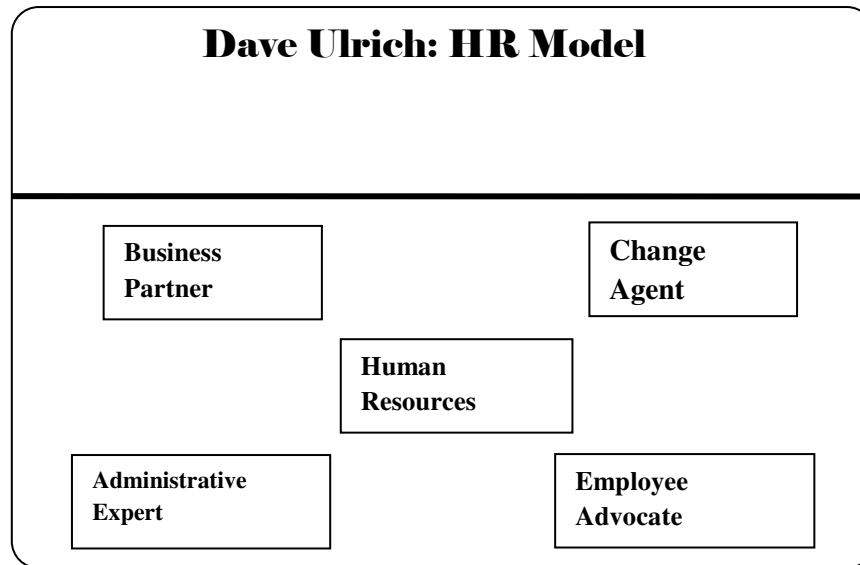
### **5. The Changing Role of Human Resource Management**

So many authors refer to the Human Resources function as the last bastion of bureaucracy. Traditionally, the role of the Human Resource professional in many organizations has been to serve as the systematizing, policing arm of executive management. Their role was more closely aligned with personnel and administration functions that were viewed by the organization as paperwork. Today, the role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent. In recent times, it is not possible to show a good financial or operating report unless your personnel relations are in order.

The role of the HR professional is changing to fit the needs of today's modern, fast changing organizations. In the past, because the original HR personnel functions were often provided by the accounting department, the HR role was focused on administrative tasks such as paying employees, administering benefits, and keeping track of sick and personal days off. But, a more comprehensive approach to the management of people in the organization was needed. Consequently, HR professionals are now developing systems and processes within the organization that address the strategic needs of the organization. What was once the task of hiring employees is now the process of team-based hiring of the best possible talented employees who are recruited via methods that range from employee referrals to social media sourcing. These employees are also congruent with the company's culture. This is quite a different journey, one that continues to evolve.

These new roles/trends of Human Resource Management, according to Dave Ulrich, one of the most popular speakers and writers in the HR field, and a professor at the University of Michigan, include the HR manager becoming a strategic business partner, a change agent/mentor, an administrative expert and an employee sponsor or advocate. This was further clarified in the diagram below (1)

Fig 3.1: Human Resource Model



Ulrich, D. (1997) *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*. Boston, MA, Harvard Business Review Press.

From the above model (Fig. 1), HR managers perform the following new roles:

**(a) As a Strategic Partner**

In today's organizations, to guarantee their viability and ability to contribute, HR managers need to think of themselves as strategic partners. In this role, the HR manager contributes to the development of and the accomplishment of the organization-wide business plan and objectives. The HR business objectives are established to support the attainment of the overall strategic business plan and objectives. The tactical HR representative is deeply knowledgeable about the design of work systems in which people succeed and contribute. This strategic partnership impacts HR services such as the design of work positions; hiring; reward, recognition and strategic pay; performance development and appraisal systems; career and succession planning; and employee development. When HR professionals are aligned with the business, the personnel component of the organization is thought about as a strategic contributor to business success (Heathfield, 2013).

**(b) As an Employee Advocate**

Traditionally, HR has been viewed as the "employee advocate" in organizations. As the voice for employee concerns, HR professionals traditionally have been seen as "company morale officers" who do not understand the business realities of the organizations and do not contribute measurably to the strategic success of the business. Some have even

suggested dismantling HR departments totally because they contribute little to the productivity and growth of organizations (Stewart, 1996). Despite this view, HR plays a valuable role as the “champion” for employees and employee issues. One example is the stress that many employees feel when balancing work and family pressures. HR professionals must be the advocate for employees, recognizing that they have other lives besides work, and ensuring that organizational policies and practices consider these pressures. Otherwise, in many cases, the organization loses valuable human resources who do not want to continue working in a “family-unfriendly” environment.

Futhermore, as an employee sponsor or advocate, the HR manager plays an integral role in organizational success via his knowledge about and advocacy of people. This advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing, and happy. Fostering effective methods of goal setting, communication and empowerment through responsibility, builds employee ownership of the organization. The HR professional helps establish the organizational culture and climate in which people have the competency, concern and commitment to serve customers well.

### **(c) As a Change Agent**

The constant evaluation of the effectiveness of the organization results in the need for the HR professional to frequently champion change. Both knowledge about and the ability to execute successful change strategies make the HR professional exceptionally valued. Knowing how to link change to the strategic needs of the organization will minimize employee dissatisfaction and resistance to change. Organization development, the overarching discipline for change management strategies, gives the HR professional additional challenges. Consciously helping to create the right organization culture, monitoring employee satisfaction, and measuring the results of organization initiatives fall in here as well as in the role of employee advocacy.

The HR professional contributes to the organization by constantly assessing the effectiveness of the HR function. He/she also sponsors change in other departments and in work practices. To promote the overall success of his/her organization, he/she champions the identification of the organizational mission, vision, values, goals and action plans.

As a change agent, HR manager does the following:

- (i) Leads complex projects and initiatives with the aim to change the corporate culture
- (ii) Engages employees and manages the change management process
- (iii) Plans and executes programs for employees to ease and speeds up the adaptation
- (iv) Acts as the contributing project team member, who is responsible for the people agenda.

**(d) As an administrative expert**

This is another form of traditional HRM role. As part of the management staff, the HR department is the point of interface between management policies and its employees. It's charged with communicating and interpreting management data.

The administrative role of HR management is heavily oriented to processing and record keeping. Maintaining employee files and HR-related databases, processing employee benefits claims, answering questions about tuition and/or sick leave policies, and compiling and submitting required state and federal government reports are all examples of the administrative nature of HR management. These activities must be performed efficiently and promptly. However, this role resulted in HR management in some organizations getting the reputation of paper shufflers who primarily tell managers and employees what cannot be done. If limited to the administrative role, HR staff are seen primarily as clerical and lower-level administrative contributors to the organization (Galford, 1998).

As an administrative expert, HR manager does the following;

- (i) Implements modern HR processes
- (ii) Monitors, analyzes and implements all regulatory changes
- (iii) Implements the measurement system, which provides information about the day-to-day performance of HR Department
- (iv) Implements all necessary processes and changes resulting from legal framework

**5. Moving Forward**

Human resource management challenges in Nigeria organisations, as discussed above, can be addressed by adopting the following salient measures:

**Encouraging reputation management and corporate Ethics:**

Reputation management relates to stakeholders' view or the impression they hold about the operational conduct or integrity of an organization. Top management and the HR practitioners currently pay high-level attention to reputation management and ethics (Schultz, et al., 2003). Due to cases of corruption scandals and other vices in Nigeria organizations, the HR practitioners should take the responsibility of facilitating the training of employees in sustaining and protecting their organization's reputation. Besides, HR professionals could monitor reputation and ethics in the organization and this would assist management to assess its reputation management efforts (Anyim et al, 2011).

**Utilizing the advantages of diversity of workforce:**

The concept focuses on the attachment of value to individual differences in the workplace which is made up of heterogeneous groups. The HR practitioner must ensure that no group members has advantage or disadvantage over the other in the workplace. This is very important in Nigeria organisations where there are numerous workforce groups, with diverse background and interest. Besides the HR manager must also ensure that the

productivity, creativity and commitment of the workforce are maximized while meeting the needs of their diverse interests.

### **Embolden Control and Result Measurement**

A HR Manager must conduct regular organizational assessments on issues like pay, benefits, work environment, management and promotional opportunities to assess the progress over the long term. There is also a need to develop appropriate measuring tools to measure the impact of diversity initiatives at the organization through organization-wide feedback surveys and other methods. Without proper control and evaluation, some of these diversity initiatives may just fizzle out, without resolving any real problems that may surface due to workplace diversity.

### **Enhancing Flexibility and Creativity**

Responsiveness in the changing world of work will require being flexible-as the organizations change, so will their needs and priorities. In addition, traditional activities and processes may not be sufficient to meet the unique needs of the future. Most employees in Nigeria organisations lack creativity in carrying out their basic functions. They seek to only have knowledge of their traditional duties, rendering them helpless if there is need for more skills and experience in carrying out a stipulated task. This however accounts for the low productivity and dilapidation of Nigeria corporations and industries.

HR leaders will likely rely on creativity of their groups to achieve effective results. Increasing globalization of the market will create a need for both flexibility and creativity as businesses try to succeed in new locations, with a new workforce, and with new customers.

### **Other Options**

Human resource managers should also consider these salient options:

- Use workforce skills and abilities in order to exploit environmental opportunities and neutralize threats.
- Employ innovative reward plans that recognize employee contributions and grant enhancements.
- Indulge in continuous quality improvement through TQM and HR contributions like training, development, counseling, etc
- Utilize people with distinctive capabilities to create unsurpassed competence in an area.
- Decentralize operations and rely on self-managed teams to deliver goods in difficult times



## Conclusion

The role of human resource management in recent times has witnessed so many changes. This is as a result of so many issues and challenges being faced by human resource managers in contemporary organizations. The economic situation which has led to the withdrawal of some employees and the effects of political instability all contribute to this changing role. Human resource managers can overcome these challenges if the above suggestions are given favourable consideration and if HRM is accorded its right place in organisations in Nigeria.

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# **CURRENT RECRUITMENT TRENDS IN THE NIGERIA CIVIL SERVICE: THE CHALLENGES AND IMPLICATIONS**

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## **Abstract**

The Nigeria civil service is a body of government civilian employees entrusted with the administration of the country, and mandated to carry out the policies of the government of the day; not subjected to political appointment and removal but hired and promoted largely on the basis of competitive examination. Current recruitment trends in Nigeria have become paradoxical to these rules of engagement along personal and subjective political cleavages. The abysmal recruitment trends are exacerbated by Chapter 2, Section 14(3) of the 1999 Constitution of the Federal Republic of Nigeria which stated that all appointments into government or in any of its agencies must be based on the Federal Character Principle. The principle is in pursuant of “state balance”, but irrespective of the laudable objectives of this principle, it has generated a lot of controversy in the recruitment of civil servants. This paper examines the challenges recruitment on political affinity and Federal Character Principle have on the performance of the Nigeria Civil Service and unraveled the implications of such recruitment trends on the vulnerable mass population of Nigeria. We based on secondary sources of data collection, while the Marxist theory of post-colonial states was utilized as a framework for interrogating the scenarios because of its analytical utility in explaining post-colonial political economy. It finds that due process and merit have been supplanted in favour of mediocrity. This implies that in the nearest future, acquisition of knowledge and requisite qualification will be inconsequential for recruitment and appointment provided one is connected to the politicians; just as millions of qualified Nigerians roam the streets jobless. Thus, it holds that while seasonable balance is necessary, let the personnel used for such balance be the best that local governments, states or geo-political zones can produce to ameliorate the flagrant cases of inefficiency and ineffectiveness which has bedeviled the Nigerian Civil Service.

**Keywords: Civil Service, Constitution, Federal Character, Recruitment**

## **Introduction**

The whole world is becoming globally integrated and the management of public affairs has become a big and complex enterprise both on account of vastly expanded

jurisdiction of the government and the exploded demands of the citizens for high quality services. There is therefore the dire need for a competent civil service, which is the central bureaucracy that implements government policies and programmes. In trying to achieve the above, a careful and well – planned recruitment and selection of employees is absolutely necessary, in order to ensure that only the right caliber of staff is employed in an organization.

The process of recruitment and selection begins with the manpower plan, which indicates areas in the organization where there are likely to be shortages of people, and the number of people to be recruited to meet anticipated employment needs (Ezeani, 2006). However, recruitment of workers into the civil service differs from one country to the other depending on the geographical and socio-cultural background. Although the content and mission may be the same, but the methodology may differ. In the developing world that is characterized by poverty, unemployment and under-employment the processes that govern recruitment become very cumbersome and tasking for recruitment authorities.

In Nigeria for instance, recruitment into the civil service is based on quota system otherwise known as the federal character principles and more recently political considerations have assumed pre-eminence. These acts have encouraged recruitment based on ethnicity, religious background, regionalism/statism, political party affiliations and other forms of malpractice tendencies being witnessed during recruitment process in Nigeria.

Consequently, political considerations have brought about a changing environment in the structure, practice and recruitment process in many countries, more especially Nigeria. These scenarios have tremendous impact in public service delivery. The implication is that Nigeria remains caged in moribund practice of traditional system of administration with an ineffective and inefficient recruitment in the civil services. This paper therefore, examines current recruitment trends in Nigeria civil service using secondary source of data collection.

The paper is divided into eight sections; following this introduction is the conceptual clarifications to be followed by theoretical framework. The paper shall proceed to review recruitment pattern prior to the introduction of Federal Character Principle before delving into Federal Character Principle (quota system) and recruitment trend in Nigeria civil service. Issues of political clientelism, favouritism and nepotism in recruitment are equally examined. This will be followed by a critical analysis of the challenges and implication of current recruitment trends in the civil service, while recommendations and conclusion brings the paper to an end.

### **Conceptual Clarification of Recruitment**

The term recruitment means different thing to different people depending on the organization and the country concerned. However the contents and objectives remains the same. Recruitment according to Croft (1996) refers to the analysis of a job and the

features the organization will look for in a potential employee, and attracting candidates to apply to the organization for employment by a chosen potential employee. While Waldo (1967) sees recruitment as the process through which suitable candidates are induced to compete for appointments. Some look at recruitment from the perspectives of stages taken by recruitment authorities to attract applicants. It is on this note that White's (1955) definition becomes apt accordingly. Recruitment for him means specific steps taken to attract suitable candidates to apply for examination. It simply means specific process for declaring the right people for particular jobs, and it may take the form of advertising for large group of employees. Employment process is seen as tripartite functions of recruitment, selection and placement (White, 1955).

**Recruitment as a concept could be classified into Negative and Positive Recruitment;** if recruitment stands for eliminating the political influence or preventing favouritism or keeping the rascals out it is termed as a negative concept of recruitment. In the initial stages merit system was substituted for spoils system through the provision of the civil service commission. Such method of recruitment aimed at providing equality of opportunities for all to compete in open markets public service. Recruitment methods did not strive to provide a competent body of public servants. They were more emphatic and "open" than on "competition". This negative approach resulted in recruitment of mediocre. The result of this approach was that, the rascals have been kept out perhaps, but so have many men of vision and ability (Bhagwan and Bhushan, 2007). With the passage of time, the spoils system suffered an eclipse. Now the emphasis in recruitment shifted towards securing the best and the most competent persons for public services.

Thus the concept of positive recruitment emerged, which therefore means that the personnel agency will recruit the best, the most talented and competent personnel. Thus in positive recruitment, new techniques will have to be employed to attract the most qualified personnel. In other words, recruitment programme will have to be so devised that only qualified applicants get a chance to compete (Bhagwan and Bhushan, 2007). In the case of Nigeria and most developing countries the reverse rather became the case; the merit system is substituted by the spoils system, and this remains the bane of the civil service in Nigeria following the adoption of quota as a recruitment trend.

### **Theoretical framework**

In our attempt to place this study in its proper perspective the need for a theoretical framework of analysis is important. Consequently, the paper adopts the Marxist theory of the post-colonial state. The theory is important because of its relative proficiency in analysing post colonial political economy. The major proponent of this theory is Karl Marx though he did not ab initio call it Marxist theory of post-colonial states, but he advanced the following attributes of the neo-colonial state:

- i) The post-colonial state is purely an instrument of class domination.
- ii) The primitive accumulation with state power is done by domestic dominant power

- and certain external forces.
- iii) post-colonial states are renter states parcelled out to the persons that use the state power for selfish ends.

Marxist scholars like Vladimir Lenin, Claude Ake, EmeEkekwe and Miliband have in their separate studies contributed to the development of the post-colonial theory of the state. Lenin (1984:10-11) noted that the state is a product of class struggle in society. The state emerged so that antagonistic groups will not consume themselves in fruitless struggle over the ownership of means of production. Hence the state emerged to moderate class struggle in advanced bourgeoisie states unlike in neo-colonial states where states are parts and parcels of class antagonisms it was supposed to moderate. Thus post colonial states rather than maintain or moderate economic relations, became an instrument of domination, exploitation and intimidation of the subjects (Ekekwe, 1986:12). The post-colonial state became a specific modality of class antagonism.

Similarly, Miliband (1977:109) insist that post colonial states are dependent on the alien forces that colonized them and thus the state is both the source of economic power and an instrument of accumulation of economic power as the state is the major means of production. This however was a colonial heritage as colonial character has matured when independence was achieved in most post colonial states who inherited these colonial traits with little or no modification. After independence in the periphery, there was a mere change of leadership position from foreigners to natives while the policies remained largely unchanged (Ake 1981:88).

The Nigerian State as a post colonial state or a periphery nation is characterized by these factors discussed above. Like other colonial states, Nigeria lacks the capacity to moderate the struggles which is pronounced between or among the various ethnic groups and states that make up Nigeria. Hence political and economic imbalances exist among and between the various states or ethnic groups that make up Nigeria. These imbalances exist in almost every sector of the economy hence most people feel marginalized. This theoretical framework therefore holistically captures and explains the ramifications socio-economic cum political relations in Nigeria within which the current recruitment trend in the civil service is located.

It is in view of correcting this abnormality that the Federal Character Commission was established to uphold federal character principles. In Nigeria, today there is a tendency to over-emphasize, the federal character and worse still political affiliations and deemphasizing merit and hard work and defend mediocrity and parochialism in running of the various sectors of the economy.

This explains why the Nigerian state continues to depend on the West for economic and political guidance and the tendency for the political leadership to neglect the respect for human dignity, rule of law and due process in public sector and other policy processes in virtually every sector of the economy.

### **The Civil Service in Nigeria and Recruitment Prior to Federal Character**

The civil service in Nigeria consists of the federal civil service, the thirty-six autonomous state civil services, plus those of the federal capital territory, the unified local government service, and several federal and state government agencies, including parastatals and corporations. The federal and state civil services were organized around government departments, or ministries, and extra-ministerial departments headed by ministers (federal) and commissioners (state), who were appointed by the president and governors, respectively. These political heads were responsible for policy matters. The administrative heads of the ministry were the permanent secretaries. As chief adviser to the government, the permanent secretary conducts liaison between the government and the civil service.

Prior the 1988 reforms, the civil service were organized strictly according to British traditions: it was apolitical, civil servants were expected to serve every government in a nonpartisan way, and the norms of impersonality and hierarchical authority were well entrenched. As the needs of the society became more complex and the public sector expanded rapidly, there was a corresponding need to reform the civil service. The Adebo Commission (1970) and the Udoji Commission (1972) reviewed the structure and orientations of the civil service to make it more efficient. Although these commissions recommended ways of rationalizing the civil service, the greatest problems of the service remained inefficiency and red tapism. Again in 1985, a study group headed by Dotun Phillips looked into the problems. It was believed that the 1988 reforms, the most current measures aimed at dealing with the problems of the service as of 1990, were based on this report.

Compared with the 1960s and 1970s, the civil service by 1990 had changed dramatically. It had been politicized to the extent that most top officials openly supported the government of the day. The introduction of the quota system of recruitment and promotion, adherence to the federal-character principle, and the constant interference of the government in the day-to-day operation of the civil service--especially through frequent changes in top officials and massive purges--meant that political factors rather than merit alone played a major role in the civil service.

The 1988 reforms formally recognized the politicization of the upper echelons of the civil service and brought about major changes in other areas. The main stated objective of the reforms was "to ensure a virile, dynamic and result-oriented civil service." As a result, ministers or commissioners vested with full executive powers were fully accountable for their ministries or commissions. The director general, an equivalent of permanent secretary, had become a political appointee whose length of tenure was dependent on that of the government of the day; in practice, this meant that directors general need not be career civil servants, thereby reducing the latter's career prospects. Each ministry had been professionalized so that every official, whether specialist or generalist, made his career entirely in one ministry, whereas previously an official could move among ministries. A new department--the Presidency--comprising top government

officials was created at the federal level to coordinate the formulation of policies and monitor their execution, thus making it a clearinghouse between the president and all federal ministries and departments.

The reforms created a new style of civil service. In the past, the attempt by every government to effect changes in the civil service produced many discontinuities. Ministries have been constantly restructured, new ones created, and existing ones abolished. Nevertheless, the 1988 reforms seemingly tended to solve some of the problems of the civil service, because most civil servants tended to remain in their jobs despite reorganizations. Also, the movement of the federal capital territory from Lagos to Abuja in the early 1990s provided new opportunities to apply the federal-character principle in replacing Lagosian civil servants unwilling to move.

### **Recruitment Process in the Nigeria Civil Service**

Essentially, recruitment and selection are the opposite extremes of the same process. It follows therefore, that the quality of selected applicants can be no better than the quality of the pool of candidates who are presented for the selection process. The purpose and importance of recruitment are reflected in the following points. Recruitments into the public service make it possible for the MDA's to:

- i) determine its present and future staff needs in conjunction with Human Resource planning and work/job analysis;
- ii) increase the pool of job applicants at minimum cost;
- iii) increase the success rate of the selection process by reducing the number of obviously under-qualified or over-qualified job applicants;
- iv) reduce the probability that new hires will leave the organization after only a short period of time;
- v) meet its responsibility for equal opportunity programmes and other social obligations regarding the composition of the workforce;
- vi) evaluate the effectiveness of various techniques and services for sourcing job applicants.

The Nigeria civil service is no doubt a colonial bequeathal and at its genesis was largely dominated by colonial officials, especially at the top and middle echelons. The primary objective of colonial Nigeria civil service was to provide adequately for effective and efficient colonial administration in Nigeria based on the Westminster model. This was aimed at serving and safeguarding the economic and political interests of the British. Consequently, recruitment into the civil service of the era fundamentally was in line with colonial policy and nothing more. Thus the rule of engagement was far from representing the interest and wellbeing of the Nigerian people. It was this prevailing scenario that ushered in independence on October 1<sup>st</sup> 1960, when gradually the administrative structures of government were handed over to Nigerians. The civil service consequently became Nigerianized.



The recruitment process in the civil service during the post independence era involved all those activities prescribed and designed by the civil service commission to secure a supply of possible candidates for employment in the service. These activities usually culminate in the selection and placement of applicants adjudged to be most suitable for the available jobs. Prior to the 1988 civil service reforms, recruitment into the service was vested in the various civil service commissions. In practice however, authority for recruitment, appointment, promotion and discipline of staff on salary grade level 01 to 06 was delegated by the civil service commissions to ministries and extra-ministerial offices which performed such delegated functions through their departmental advisory committees (DACs) as they were commonly known. The civil service commissions reserved to themselves the power to recruit civil servants into posts of salary grade level 07 and above.

With the introduction of forms in the service in 1988 however, the power to recruit and make appointments into posts of salary grade level 01 to 06 and grade level 12 and above was passed to the Personnel Management Board (PMB), Senior Staff Committee (SSC) and Junior Staff Committee (JSC) of ministries and extra-ministerial departments. These agencies were however required, in performing this function, to adhere to the approved schemes of service and civil service rules, and to comply strictly with regulations and guidelines that may be issued by the relevant civil service commission from time to time. On the other hand, the reforms reserved to the civil service commissions the power to recruit, appoint and promote civil servants in to grade level 07 to 10, based on the approved staff establishment of each ministry and extra-ministerial department. The rationale for this reserved power is that the commissions were thought to be better placed in applying the principles of geographical spread, commonly known as the principles of state/federal character.

### **The Nigeria Civil Service and Federal Character Principle**

The federal character principles as enshrined in the constitution of Nigeria is to ensure equitable distributions of bureaucratic and political positions at the federal, states and local government levels. The objective of the policy is to foster national unity and give every Nigerian a sense of belonging among others in the country. The federal character principle which is implemented under the federal character commission is therefore designed and initiated to correct adverse impact resulting from opportunities and resources provided by the federal government to the citizens of the country that appears neutral but have a discriminatory effect on a protected group.

The federal character principle is therefore, designed to ensure a strong and indivisible nation based on justice, equality and fairness, while ensuring that all Nigerians are given a sense of belonging. As laudable as the above policy maybe, and the empowerments of the concept in the nation's constitution, its application especially with regards to recruitment into the public service has remained a debatable topic to which some critics have claimed that the policy compromise the merit system which should have ensured that only those that are qualified be employed into the Nigerian civil

service, thereby fostering quality service delivery for the development of the country. Therefore, it is important to note that, efficient manpower utilization is predicated on effective, credible, efficient, transparent and merit-based recruitment process.

A critical assessment of various texts relating to this subject matter, have shown that a lot has been written about the application of the Federal Character Principle vis-à-vis recruitment into the civil service and other allied matters, although from different orientations. The application or reflection of the Federal Character Principle as stipulated in section 14, sub-section 3 of the 1999 constitution of the Federal republic of Nigeria, and has generated a lot of controversies politically, socially and economically.

Afigbo (1987), reviewing the federal character principle notes that its emergence was as a result "...of the impervious and insistent demand by each ethnic group, no matter how small numerically, or how poor materially, or how backward educationally for a recognized fair and dignified place in the Nigerian sum". As it is now, the Federal Character Principle has become a justifiable claim to recruiting both qualified and unqualified persons to certain positions in the Federal Civil Service. This must have made Longe (1987) a prominent civil servant of long standing to warn that;

*... To implement this constitutional requirement as far as personnel positions in the Federal Public Service are concerned, emphasis must be on entry and training grades.*

Although Longe (1987) recognizes the need of reflecting the federal character, he would not want this to be done at expense of merit without which efficiency can hardly be achieved. Also in the main report of the Public Service Review Commission of 1975, the members unanimously pointed out that the reflection of the Federal Character Principle sounds prospective and discriminatory and do not give the impression of a conscious effort to secure the best qualified person for the position to be filled. They went further to state that a method of appraising individual performance is essential in any large organization in order that one ensure that the objectivity of the organization is achieved and duties properly performed.

The Public Service Review Committee calls for a strict adherence to the merit principle in the application of the federal character. *The appointment method should reach out and attract the best minds and skills to apply for employment or else management will make do with mediocre and ill-qualified workers.*

Thus, to achieve the desired objectives of any organization with maximum efficiency it requires, scholars of meritocracy maintains that there should be an equal opportunity for all not based on loyalty and hence, exclude any form of influence or undue advantage but qualification, experience, skill, hard work and competence. But to one's utter surprise, Hart (1976) notes that the merit principle has been bent and broken over the past century 'consciously and advertently overtly and covertly', with total neglect of its implication for efficiency and national stability.

This constitutional "mandate" which seeks to satisfy the interest of the ethnic or sectional groups of the country in an attempt to promote 'National unity' meant that; *the traditional entry and promotional qualifications of the Civil service such as high test*

*scores should be reduced. Or waived for the disadvantaged until the number of the minority groups in the Government at all ranks at least equals their proportion of the population at large (Ezeobi, 2007).*

According to him, appointments and promotions in the public service in line with character or quota system is to open the door to nepotism and invite general decline in performance standard. Adebayo (1981) noted that one of the banes of the Nigerian Public Service is the recruitment of mediocre or totally unsuitable candidates in preference to candidates of high merit. He went further to state that when mediocre or totality unsuitable candidates are appointed to senior positions in the public service, the process of inefficiency has started to germinate. This is why, according to him, it is rightfully important that the process of recruitment or appointment should be an instrument for the promotion of efficiency in the public service for it is upon this that the effectiveness of any government depends. Efficiency, also serves as measures of its ability to respond in practical terms its policy decisions, which is assumed to be in the interest of general public.

On his own part, Akpan (1982) sees the civil service as an essential arm of the public service and maintains that; *Such is its central position in public service management. And because government depend much more on it, than any other arm for efficient execution of its policies and programmes, the public cannot afford to be indifferent to the type and caliber of persons manning and managing it.*

Federal Character Principle calls for the sacrifice of administrative ethics for the sake of dubious expediency. This must have prompted Azikiwe's (1943) that "the Nigerian must be equipped for his job by a rigorous course of training in order to ensure a high degree of mental discipline and high ethical standards". Azikiwe agrees that any system that discredits merit and places emphasis on ethnic or racial origin as a criterion for recruitment was bound to be inefficient.

The Philip –Adebo Commission also reiterated the need for a pre-entry qualification: saying "efficiency will be procured by the employment on first class personnel who satisfies high entry requirement". In his own contribution, Awa (1964) opined that in most fields, knowledge of the subject matter is one of the prime factors facilitating the attainment of the highest of rationality in decision making in the public service.

These views expressed above have recognized the federal character principle as more inherently imbued with greater loopholes than it was purported to resolve. The reason is simple and direct; in Nigeria political considerations have always taken the centre stage in virtually all aspects of national life. This therefore brings to focus the issues of political clientelism, favouritism and nepotism in the implementation of the federal character principle and recruitment process.

### **Clientelism, Favouritism, Nepotism as Factors in Current Recruitment Trend**

Clientelism, broadly speaking, including various forms of favouritism (of which nepotism is a particular type), is representing a particular form of conflict of interest. Clientelism represents a situation in which a person (an elected official or an employed public servant) uses his or her public power to obtain a favour for a member of his or her family, for his or her ethnic or religious group, political party, friends or other interest to which he/she has an adherence (Anyanwu, 2009).

Favouritism or cronyism is a mechanism of power abuse implying “privatization” of and a biased distribution of state resources. Favouritism is to grant offices or benefits to friends and relatives, regardless of merit. Favouritism is quite simply the normal human proclivity to favour friends, family and anybody close and trusted.

In the political sphere, favouritism is the penchant of state officials and politicians, who have access to state resources and the power to decide upon the distribution of these, to give preferential treatment to certain people when distributing resources. The purpose is to sustain and prolong one’s power, position and wealth.

Clientelism is the rather common proclivity to favour one’s kinship members (family, clan, and tribe, ethnic, religious or regional group). In most non-democratic systems, the president has for instance the constitutional right to appoint all high-ranking positions. This easily adds up to several hundred positions within the ministries, the military and security apparatus, in parastatal and public companies and agencies, in the diplomatic corps and in the ruling party. This legal or customary right, of course, extends the possibilities for (and intensifies) all kinds of favouritism.

Nepotism is the special form of favouring family members (wife, brothers and sisters, children, nephews, cousins, in-laws etc.). It is a special form of favouritism, in which an office holder (ruler) with the right to make appointments prefers to nominate to prominent positions his proper kinfolk family. Many unrestricted presidents have tried to secure their (precarious) power position by nominating family members to key political, economic and military/security positions in the state apparatus. When “successful”, deeply nepotistic systems are getting closer to a “mafia” because of the shared family “values” and loyalties.

Favouritism is not only a legal and procedural problem, but also a problem of flawed qualifications, lacking skills and inefficiency. Furthermore, where public position is strongly correlated to possibilities of corrupt and extractive practices, favouritism can secure substantial prerogatives and profits for certain families, clans and social sub-groups. Nepotism can cause conflicts in loyalties within any organization.

### **Current Recruitment Trends in Nigeria Civil Service: Challenges and Implications**

The way the Federal Character Principle is being applied presently shows that it is not merit but regional and sectional entity that is the motivating ideology behind the provision. This is a kind of preference based on representation of regions and states, as well as for particular interest groups without recognizing the economic loss suffered by the citizens and the federal government.

Chinua Achebe (1988) a prolific writer and a social critic in his book *The Trouble with Nigeria*, sees the federal character principle as having a bandwagon effect. His major objections are that it exposes the citizen to unfair treatment and injustices, most especially it breeds inefficiency. He asserts that “the denial of merit is a form of social injustice which can hurt not only the individuals directly concerned but ultimately the entire society” he pointed out that the greatest sufferer is the nation herself which has to contain the legitimate grievance of a wronged citizen; accommodate the impotence of a favoured citizen and more importantly and of greater scope, endure a general decline of moral and subversion of efficiency caused by an erratic system of performance and reward. The federal civil service he went on, is a place where it would be difficult to point to one important position held by the most competent person we have in Nigeria. Therefore, the denial of merit in favour of federal character in the nation’s system of choosing and rewarding its hierarchy of civil servants can be the real explosive potential for inefficiency.

Furthermore, Ubeku (1995) submits that lack of training is a contributory factor to the problems of inefficiency of the civil service. According to him, a worker who is not adequately trained will not know his work in the civil service and as a result will handicap the efficiency of the civil service and make it incapable of implementing government policies. Hence, merit and Federal Character principle are not only strange bed-fellows but are incompatible to each other. In view of the above, Ubeku (1995) is of the contention that the Federal Civil Service suffers a lot, in that the federal character plays a mischievous role perpetuating inefficiency in the bureaucracy.

Afigbo (1987) pungently sees the Federal Character Principles as “an oily formula to quieten its own trouble water,” stating that the concept provides a climate for maneuver rather than a guideline for action. The words of Longe (1987), here are quite apt as he assesses the Federal Character principle from a historical perspective when he contended that. *‘The federal character is an establishment tradition in the Federal Civil Service... the problems and questions of its application, relates timing, scope and emphasis, to the validity of judgments regarding the appropriate trade-offs between the demands of units and those of inefficiency... within the federal civil services.*

Actually, the application of the federal character principles has led to a trivialization of the policy and unacceptable lowering of standard with its negative consequences on efficiency. The principle as already stated herein, is discriminating against merit resulting in low output and under-utilization of manpower. It is in view of this fact that many people had and are still calling for the review or total abolition of the federal character principle and political considerations as trends in recruitment in the federal civil service if efficiency and development is to be achieved. But the rigid application of the federal character principle have led to lack of national accepted definition of excellence and competence, hence we no longer talk about productivity, fairness and development as key position in the federal civil service are filled with state

of origin and geo-political zone as topmost consideration. The table below will buttress this position.

**Ethnic composition of various Nigerian cabinets, 1960-2004, in percentages**

| <b>Regime</b> | <b>Hausa<br/>Fulani</b> | <b>Igbo</b> | <b>Northern<br/>Minority</b> | <b>Yoruba</b> | <b>Southern<br/>Minority</b> |
|---------------|-------------------------|-------------|------------------------------|---------------|------------------------------|
| Balewa 1960   | 60                      | 13          | 0                            | 20            | 6.7                          |
| Gowan 1967    | 21                      | 0           | 21                           | 36            | 21                           |
| Murtala 1975  | 25                      | 0           | 35                           | 35            | 5                            |
| Shagari 1983  | 38                      | 8.8         | 20.5                         | 14.7          | 17.6                         |
| Buhari 1984   | 35                      | 10          | 25                           | 20            | 10                           |
| Obasanjo 2004 | 30                      | 15          | 18                           | 18            | 18                           |

**Sources:** Osaghae, 1989, 158; Nigerian Army Education Corp & School, 1994, 330-349; list of Obasanjo's ministers in 2004.

It is a common place knowledge that there is a wide gap between North and South literacy rate in Nigeria with the former having higher percentage illiteracy rate than the later. Yet, the above table reveal a misnomer in federal appointments where the North revealed by series of studies to be educationally disadvantaged have the highest political appointments from 1960 independence day till date. The most worrisome aspect is that as these appointments are made, the incumbents of the ministries or extra-ministerial departments wittingly ensures that greater percentage of civil service employees comes from his/her area whether they are qualified or not. This trends impacts negatively on civil service results. Salisu was probably write to say that:

In many African countries especially Nigeria, development efforts and government policies are threatened by the incompetency and ineffectiveness of the civil service. As a result of this, successive governments in Nigeria (from post-independence era to the contemporary times), have embarked on articulated patterns of reforms aimed at improving the efficiency and effectiveness in the civil service. Still, the service remains inefficient and incapable of reforming itself (Salisu, 2001:1)

Suffice it to say that the Federal Character principle would be comfortable with “Almajiri” teacher from the North to be the Minister of education, than a Southerner who is a Professor in Educational Studies/Administration.

### **The Way Forward**

Basic principles for dealing with favouritism and nepotism within the public sector are to safeguard and foster *meritocracy* (impartiality in all recruitment and selection processes); *competition* (for instance by ensuring that job vacancies are openly advertised and that the advertisements are framed to both adequately reflect the requirements of the job and to maximize the potential field of candidates, and that candidates are selected according to these criteria), openness (especially regarding recruitment and selection decisions), *integrity* (including clearly stated sanctions for non-compliance with established policies and practices and independent persons involved in the decision making processes) and the possibility of *appeal* (so that unsuccessful, but qualified applicants, who consider that proper procedures have not been followed, should be able to appeal to an appropriate authority for an independent review of the process and its outcome).

Olagunji (1987) in recognition of the inevitability of merit suggested that “...the solution to unequal opportunity to participate in the societal goal lies in the educational system”. This goes to support the argument that until every region, group or sections attain the same level of education; we cannot expect equal opportunity to participate in the federal civil service. Trying to maintain equal participation or representation now will definitely lead to ‘reverse’ discrimination. On that, Momoh (1987) made a philosophical appeal when he stated that:

We do not have to make a poor man rich by making a rich man poor. The aim should be to make the poor as rich as the wealthy in our midst. Our peculiar politics of envy that seek deliberately to retard the progress of those who are making sacrifice to obtain their level of development can catch up will impede rather than accelerate the process of integration and cohesion.

In his own contribution, Okoye (1987) insists that there is the need for a balanced federal system of government if it had to survive. He did not, however, care if this ‘balancing’ leads to the neglect of merit and efficiency. He opined that the problem of ignoring the interests of any group could be quite serious, and went further to maintain that: *If, for example, recruitment and appointment to key positions in the Federal Agencies are left to chance and merit, some groups are largely excluded.*

From above, he seems to imply that certain groups should be made to slow down their pace of development or denied opportunities in preference to others, or the standard lowered so that certain groups or units can be accommodated. Although one shares the view that an arrangement be made in which important positions in the federal civil service and other federal establishments are filled through the selection of candidates

from all states of the federation that will promote the participation of the various ethnic or sectional groups in the formulation and implementation of federal government policies and programmes; one equally feels that it is not in the best interest of this country if this effort plays down efficiency.

It should be noted that where the required qualifications are really crucial for the key position, the performance of the establishment are often seriously jeopardized because of the imposition of unqualified staff on them. Secondly, other individual who consider such positions invariably feel discriminated against, and this in turn, adversely affects their morale and spirit of patriotism. We must not forget that a civil servant as an agent of the government is meant to represent the interest of the general public for which they serve and not their own individual or state cum sectional interest per se. but as a matter of fact, the reverse is now the case as our sense of national unity, stability and development are being coloured by ethnic and sectional prejudice. The reason for this ugly situation can be traced directly to the reflection of Federal Character Principle which places much emphasis on ethnicity or sectionalism as basis for recruitment or appointment in the civil service instead of merit and efficiency.

Adebayo (1981) rejected the Federal Character Principle as a method of employment arguing that man's capability can be demonstrated in the field most familiar to him by training and experience. That when you put a man on job for which he has not previous experiences or background training, that it is asking too much to expect him to be master of the job. It therefore becomes relevant and necessary to have a minimum standard for recruitment and appointment because the state and its administrative machinery; civil service –are increasingly looked upon by the wider society to implement development goals efficiently.

Comrade Oni (1980), commenting on the imperative of “Constructional Reformism” criticized the 1979 constitutional reform, especially subsection 3 of section 14, where he asked. *How do we expect to achieve unity and stability when we close our eyes to the mechanism of growth in our Society and confine our reform to the political super-structure without taking into consideration the underlying social forces?* He further argued that such a provision breeds all forms of disintegrating contradictions that are not only ethnic but class in character. According to him, ‘ethnic balancing’ in jobs leads to ill – prepared candidates being employed and this in turn perpetuates inefficiency in the Federal Civil Service. If the federal character creates such socio-economic and political problems, one would want to ask why it should be used as a means of recruitment when it is known that the groups cannot boast of equal number of qualified or educated personnel.

This must have led Ademolukun (1982) to suggest that for posts that required scientific and technological training, the merit principle should govern recruitment. For him “...the merit principle helps best to ensure a democratic personnel administration, the merit principle means that potential state officials will compete openly to enter public office and only those who prove superior will be appointed as officials.” Similarly, the



progress of each official is expected to be a function of his merit in the job. But one thing he did not take cognizance of is the Federal Character Principles' mandatory kind of requirement for appointment of personnel irrespective of the cadre or nature of work. As a result and in most cases, qualification, skill, experience and standard are waived or ignored in recruiting personnel into the Federal Civil Service just to maintain sectional and primordial loyalties and 'unity in diversity'.

Balogun (1992) in his contribution asserts that this political responsiveness doctrine has far-reaching implications for personnel management in a pluralistic society like Nigeria. According to him, the federal character provision in the constitution would seem to be diametrically opposed to the principle of merit. Thus, the federal government should try to eliminate the evils of selection by competitive examination which, by preventing the appointment of the indolent or incapable and sickly personnel, would provide for the supply of the federal civil service with a thoroughly efficient class of men. This is because "the valuable asset of any organization is its manpower resources". The civil service is no exception in this respect and it is essential, the best use is made of those resources.

### **Summary and Conclusion**

The study revealed that, the recruitment policy in Nigeria is highly controversial and complex in nature as emphasis is laid on quota system also known as Federal character principles as well as political affiliations whereby merit is being compromised. The paper is of the view that administrative reforms of the Nigerian civil service commission is a sine qua non to guarantee it more autonomous existence as this would enable it discharge its functions and responsibilities effectively without fear or favour. The paper also is of the submission that recruitment into the civil service should strike a reasonable balance between merit and quota, whereas personal political considerations should be eliminated in its entirety to guarantee effectiveness and efficiency in the service.

It has been clearly stated that the world is becoming globally inclined whereby the management of public service has also over the years expanded its jurisdiction thus creating avenue for a proper and balanced recruitment process or procedures. The paper has been able to analyze in critical terms the current recruitment trends in Nigeria civil service. In Nigeria for instance, quota system or federal character is the guiding principle or procedure that is recognized in the constitution as a recruitment policy. Very unfortunately, the said quota system or federal character principle is not practiced with due diligence, as direct recruitment is done based on political godfatherism/political clientelism. Consequently, this paper though critical of the existing federal character principle in Nigeria, further laments the damaging effects of nepotism, clientelism and favouritism in recruitment into Nigeria civil service, on the merit system.

The merit system implies a system in which the appointment and conditions of an employee are determined solely at his own intrinsic merit which includes his educational and technical qualifications, personal capacities and physical fitness. Under this system, recruitment is made through open competitive examination held by a general personnel

agency. No distinction is made between citizens on the basis of any party affiliation. Civil servants remain neutral in politics and promotions take place strictly on the basis of merit. In the absence of a merit system in Nigeria, the paper maintains that we are still practicing the spoil system that encourages corruption, inefficiency, incompetence and recruitment based on religion, ethnicity, region/state and political affiliations. One can therefore conclude that Nigeria is still practicing the negative recruitment policy, which has been largely responsible for incessant and flagrant abuses, inefficiency and ineffectiveness in the service.

Cognizant of the prevailing circumstances, the paper posits the following recommendations:

- That there is an urgent need for Nigeria government to carry out reform in the civil service to ensure a recruitment pattern that can accommodate realities rather than principles.
- ❖ There is need for merit system to be encouraged in the recruitment process in Nigeria. This should be done through competitive written examinations and interview test just as it is practiced in advanced liberal democracies of the world.
- ❖ It is also recommended that the civil service commission should synergize with tertiary institutions for effective manpower utilization by identifying for immediate recruitment, persons with requisite knowledge and capabilities, to fill relevant positions in the civil service without recourse to political considerations.
- ❖ Finally, it is recommended that the Nigeria civil service commission should be accorded more autonomous or independence status. The commission should be given financial, recruitment, placement and posting independence without interference from the government and powerful public officials. More so, there should be mechanism to enforcing sanctions where abuses are observed.

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# **THE POLICY OF REMOVAL OF FUEL SUBSIDY AND THE JANUARY 2012 PROTESTS IN NIGERIA: SOME PRELIMINARY OBSERVATIONS**

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## **Abstract**

Fuel subsidy has been a contentious policy issue in Nigeria with the introduction of neo-liberal economic policies such as privatization, deregulation and removal of state subsidies. The study posits that the January protest of 2012 which was triggered off by the increase in the pump price of fuel from N65 to N141 was underscored by both internal and external factors. The basis of the removal was faulted by the protest, because what government promised that would be the benefit from the removal of the subsidy has been the same old promise which successive governments never fulfilled. We concluded that because of government insincerity, the fuel subsidy should be continued as a tool for preventing the vulnerable segments of the Nigerian society falling from the social safety net provided by the government.

**Keywords:** Fuel subsidy, Neo-liberal economic policies, Protest, Deregulation, Economic reform measures

## **Introduction**

After several years of proposing its outright removal, the Federal Government on the 1<sup>st</sup> of January 2012, announced the total deregulation of the downstream sector of the petroleum industry. Subsidy is an assistant paid to an economic sector or paid by a government to producers or importers and is distributed as subventions in an industry to prevent the decline of that industry. By this it acts as a form of protection by making domestic goods and services competitive. The protest raised two strands of analysis. First, the removal of fuel subsidy is quite uncalled for since in most countries, it is simply a fiction as oil subsidies are for non-oil producing countries. This perspective argues that there is nothing like subsidy since no one can ascertain the actual amount of producing a litre of petrol in Nigeria. Therefore, there is nothing to subsidize. What is being subsidized in Nigeria is corruption. This is because the Nigerian oil is the worst managed in the world.

The announcement of the total removal of fuel subsidy on January 1<sup>st</sup>, 2012, was met with of protests, mass demonstrations, rioting, looting and arson, with the attendant loss of lives. The resistance of such hikes stem from the fact that any increase in the pump

price of fuel will worsen the incidence of poverty in the country. Section 2 of the 1999 constitution makes it mandatory for the Nigerian state to participate fully in those sectors of the economy considered as key to national development. However, the political leadership has continued to maintain that government has no business in business. Adagba et'al (2012) argued that the apostles of subsidy removal are economical with the truth, and that the whole exercise is riddled with fallacy.

In spite of the reduction of the pump price of fuel during the protests from N141 to N97 as a way of placating the masses and the setting up of a panel of inquiry to probe the activities of oil marketers and stakeholders in the downstream oil sector, the rot in the oil industry shows no sign of abating with the price of fuel oscillating between N97 and N110 depending on the region. Additionally, government's promises of revitalizing other sectors of the economy in need of assistance through fuel subsidy proceeds remain a mirage. In the light of all these, Nigerians are being made to pay for government inefficiency and corruption as seen in astronomical increases in the cost of production, transportation as well as higher prices for goods and services. The study is therefore, an attempt to examine the impact of the January 2012 fuel subsidy protests on the presidency behavior in Nigeria.

## **THE POLITICS OF FUEL SUBSIDY AND THE JANUARY 2012 PROTEST**

Following years of economic crises and stagnation, Nigeria embarked on a comprehensive reform programme starting from 1986 when the Structural Adjustment programme began. However, another phase of this reform began during the second term of the Obasanjo administration. The programme was based on the National Economic Empowerment Development Strategy (NEEDS). NEEDS focused on four main areas:

- Improving the macroeconomic environment
- Pursuing structural reforms
- Strengthening public expenditure management
- Implementing institutional and governance reforms.

Although, there seems to be significant notable achievements under the programme, significant challenges exist, particularly in the deregulation of the down-stream oil sector of the sector and removal of subsidies from petroleum products in the country. Government argues that monies accruing from the removal of the subsidies will be channeled into welfare improvements for citizens and job creation.

Consequently, the central aim of the macro economic reform was to stabilize the Nigerian economy, to improve budgetary planning and execution, and to provide a platform for sustained economic diversification and non-oil growth (Okonjo-Iweala and Osafo-Kwaako, 2007: 9). A broad range of structural reforms were also planned to improve the domestic business climate and enhance competitiveness, to deregulate and reduce government activity in various economic sectors, and to address various structural constraints to growth. Deregulation and privatization were embarked upon by the federal government as areas of structural reform programmes for the ultimate objective of

improving the overall Nigerian economy; reducing government borrowing while raising revenue. Privatization was accompanied by deregulation of various economic sectors in order to encourage private sector participation especially in downstream petroleum sector.

However, deregulation of the downstream petroleum sector and removal of subsidy have been controversial in part and fraught with great deal of resistance from Nigerians especially from the labour unions. Two factors are the driving forces for the removal of fuel subsidies in Nigeria. First is the external factor driven by the World Bank and International Monetary Fund (IMF) backed by the United States and Europe and the second factor is internal, driven by the ruling elite.

### **External Factor**

The global economy and development programmes are presently being driven by the globalization process being propagated by the multinational corporations of Europe and the United States. They shape and drive the global economy. World Politics has reemerged as a strong determinant of development. Events in Nigeria concerning deregulation programmes of Obasanjo and Jonathan's governments reinforce the critique of De Soto and the importance of politics.

According to Amadi (2004: 56), Hernando De Soto, Peruvian neo-classical economist has made a deserved reputation globally for advocating a very simple but insightful Panacea for underdevelopment in the non-western countries. He states that "capitalism is the only game in town. But he gives it a spin of a grand theory that subscribes to the grand fallacy of no-alternative. The former Prime Minister of Britain, Margaret Thatcher praised De Soto's *The Mystery of Capitalism* as unraveling the cause of poverty in the Third World "the lack of a rule of law that upholds private property and provides a framework for enterprise.

From the foregoing, development experts from the West especially from the World Bank, IMF and sister institutions set up a rebounding buzz of titling programmes in the Third World. In fact De Soto gives the hint on the weakness of the theory when he argues that the burst of economic growth in U.S. and other North Atlantic countries resulted from a certain construction of the legal regimes that allowed the privileging of certain claims of ownership and made assets fungible in certain forms and not the others (Amadi, 2004: 57). However, he did not press this insight to show how politics – the contest for group subordination and the coercive use of state to aggrandize the powerful.

Thus, deregulation of the downstream sector of petroleum industry is political. It is politics because it involves the strategic calculation of winners and losers and the capacity of losers and winners to impose costs or provide benefits to technocrats and bureaucrats in power both locally and internationally (Amadi, 2004: 58). Neo-liberalism with particular reference to privatization, deregulation and removal state subsidies hardly meet the basic needs of the Nigerian masses. The rabidly anti-state, anti-welfare services and pro-market perspective of the economic reforms create gaps in needs of the people.

We should remember that the emergence of crude petroleum as a major foreign exchange and government revenue earner was a relief to Nigeria in the pursuit of her development goals. The resources generated from crude oil sales were used in the provision of social and economic infrastructure, which enhanced government delivery of services in Nigeria in the 1970s. Structurally, the economy was woven on the illusion of a large and sustained in-flow of resources from crude oil exports. Consequently, the collapse of crude oil prices in the global oil market in the early 1980s showed the inherent structural defects of the economy. The social and economic crises that followed this collapse compelled Nigerian government to implement economic reforms as prescribed by the advanced capitalist states under the auspices of the World Bank, IMF and other sister institutions as a panacea for economic recovery and development.

During the oil boom economic activities were boosted, the public sector also experienced rapid growth. However, from 1981, the public service and the entire economy began to experience an acute-crisis. This crisis led to the introduction of Economic Stabilization and Austerity Measures by the Shagari administration through the Economic Stabilization Act of April 1982. The stabilization measures were demand – management in content. Other stabilization measures that were subsequently adopted by the military included the pruning down of expenditures and reduction in the size of the public sector.

The dismal failure of this reform measures led to the introduction of the Structural Adjustment Programme (SAP) in 1986. The reform programmes under the SAP which were both macro and sectoral were aimed at altering and restructuring the consumption and production patterns of the economy, as well as to eliminate price distortions and heavy dependence on the export of crude oil and import of consumer and producer goods (Donli, 2004: 5). The main focal areas of the reforms were mainly fiscal policy and management, monetary policy, exchange rate management, regularization of foreign trade and management of external debts, among others.

Under the nascent democracy, economic reform programmes have come to the fore especially during the second tenure of Obasanjo. His administration encapsulated the reform measures in the introduction of the National Economic Empowerment and Development Strategies (NEEDS) with prodding from the World Bank and IMF. Explicitly, the ideology behind the economic reform is Western capitalist economic interest and this helps us to understand the nature of the economic actors during the reform and the interests they promote. Dependency theorists argue that underdevelopment is largely a function of external constraints caused by structural character of world economy or failure to realign domestic economic development to the realities of institutional idealism.

### **The Role of the IMF and World Bank in January 2012 protest in Nigeria**

When the World Bank and IMF were established, they enjoyed wide support. The IMF was supposed to facilitate trade and to make short-term loans available to countries with temporary balance of payment problems. However, today, the IMF and the World Bank are much more powerful than imagined in the past. Their policies are shaped by



their principal shareholders, the powerful industrialized countries of Europe and America. They have, today a strong influence over economic policies in many countries including Nigeria. The neo-liberal economic policies of Nigerian government are designed by the Banks. They include privatization, deregulation, and removal of state subsidies and so on. These were given as conditions for getting loans from the banks because of inability of many countries to repay their debt. The IMF has the power to declare countries credit worthy or not. To get the seal of approval, countries have to accept the conditions of economic reform programme of the IMF or the World Bank. Consequently, countries getting loans from the two must restructure their economies according to IMF and World Bank guidelines or forget about getting the loans.

Hence, reforms programmes are built on the fundamental condition that debtor to nations have to pay their debt in hard currency. This explains the adoption of a policy of exports because exports are the only way for developing countries to obtain such currencies. Since 1986, Nigeria has followed these policies simultaneously. Economic reform programmes are based on liberalization which promotes the free movement of capital; opening of national markets to international competition, privatization of public enterprises and services, deregulation of labour relations and cutting of social safety nets as well as improving competitiveness. These measures forced Nigeria to the path of deregulated free market economy. By the process, the IMF and World Bank directly or indirectly determine Nigeria's macro-economic policies as well as fiscal policies through the so called Public Expenditure Review. Even public works projects are carried out by international construction and engineering firms such as Julius Berger and so on.

NEEDS, according to Amadi, (2004: 13) could pass as a World Bank reform programme for two reasons. First, the content and language suggest it drew inspirations, mainly or substantially, from World Bank's development policies, especially as they relate to the market and the role of the state. Second, the actors who worked out the programme are affiliated with the World Bank and are professionally trained within the discursive paradigm of the Bank. The World Bank has maintained a fundamentalist position on the sanctity and regulative determinism of the market. However, the markets are social constructions and do often fail to meet the ideal conditions required for the working of Adam Smith's invisible hands. The World Bank now affirms the imperfection of the market i.e. the fact about market failure as witnessed in the current economic meltdown and financial crisis in Europe and America and other parts of the world. But it still makes policy recommendation as if market failure is minimal.

The World Bank has incorporated the rhetoric of social welfare and participation without articulating clear policy framework to realize such social goods in its pro-growth reform programme (Amadi, 2004: 14). Under the contemporary failure of the market, the Bank has now moved from the idea of a "minimal" state to that of an effective state. An effective state is a state that is able to enforce law and order and rule of law that conceived primarily as protection of property regimes and easy adjudication of contractual claims (Amadi, 2004: 14). That is why Ake (1996: 1) posits that the World Bank is more

comfortable with apoliticism than the political pursuit of democracy. They enforce political conditionality reluctantly and only after reducing democracy to governance and governance to the political correlate of structural adjustment, particularly the rule of law, transparency and accountability.

Under the current reform programmes of the federal government, particularly NEEDS, it tries to include social welfare as an add-on to market oriented private sector-based reform. The idea behind the NEEDS is to systematically reduce the role of government in direct production of goods and strengthen its facilitating and regulatory function. NEEDS is seen as a development strategy anchored on the private sector as the engine of growth as well as for wealth creation, employment generation and poverty reduction. Consequently, government becomes a facilitator and regulator while the private sector is the executor, direct investor and manager of business.

NEEDS is meant to restructure, right-size, professionalize and strengthen government and public institutions so as to effectively deliver social services. It also sought to eliminate waste, inefficiency and free up resources for investment in infrastructure and social services by government. However, these innovations are World Bank notion of reform of rule of law institutions in order to achieve functionality rather than empowerment. They are contradictory within the context of poverty-ridden country like Nigeria. Percussion of World Bank and IMF policies in Nigeria explains the invasion by in national technocrats of domestic policy-making and its implementation. This is achieved through domestic allies who seek to take advantage of new opportunities in both domestic and international trade and financial transactions. The sale of Nigerian Telecommunication Ltd and NICON NUGA become illustrative.

To demonstrate that the deregulation of downstream oil sector and the removal of oil subsidy are externally driven, it is pertinent to note that the current minister of finance Ngozi Okonjo-Iweala, was a Vice-President of the World Bank before she was appointed a minister under Obasanjo and currently under President Jonathan. In her previous postings in the banks she supervised economic reform programmes in the Middle East on behalf of the bank. The former Chief Economic Advisor to President Obasanjo, Professor Charles Soludo, consults for the World Bank. Other members of the Obasanjo administration under which the idea of NEEDS was conceived are Western trained ministers. They include the former minister for federal capital Territory, Mallam El-Rufai who was also former Chief of the Bureau for Public Enterprises. He attended short courses of Harvard Business School. The former Special Assistant to President Obasanjo on Budget and Due Process and later Minister of Education, Mrs. Oby Ezekwesili was also a graduate of Kennedy School of Government, Harvard University. Ngozi Okonjo Iweala is also a Harvard trained economist. The Harvard connection according to Amadi (2004: 10) replays memories of the IMF – inspired Structural Adjustment Programme (SAP) religiously implemented under Babangida military dictatorship. The idea of privatization and deregulation as implemented in Nigeria has been disoriented; corruption ridden and as such lacks any transparency in its dealings and operations. Both increases inefficiency and

ineffectiveness in government because the ruling elite that pilots the reform programmes are themselves corrupt and as such wasteful.

### **Internal Factors**

The Nigerian economy is currently undergoing a severe crisis of unprecedented proportion. The crisis is the result of the failure of the neo-colonial system of production which Nigeria has operated since independence in 1960 and which grew out of the colonial system of production (Nnoli, 1993: 1). The fundamental problem which contributed to the crisis is absence of an independent and creative ruling class of the type that brought the industrial revolution to the Western world and Japan, or even the self-disciplined and sacrificing type that engineered self sustained growth in Taiwan, South Korea, Malaysia and Singapore (Nnoli, 1993: 4). The Nigerian leadership consists of a mixture of various segments of the petty bourgeoisie such as the bureaucrats, retired military officials and intellectuals. They play dependent role in production but do not participate creatively in the production process. The bourgeoisie is not yet developed in Nigeria and in a capitalist situation where the bourgeoisie is yet “underdeveloped” as an economically and politically dominant class; the petty bourgeoisie develops a specificity in which it is no longer simply an auxiliary class mainly managing class domination for the bourgeoisie, but politically pertinent class (Ibeanu, 2012: 9).

In such a situation, the intrinsic characteristics of the petty bourgeoisie come to the fore and become pervasive, especially at the political and ideological levels of the structure, which are the principal sites of functioning of the new petty bourgeoisie. This also explains, why under such conditions, this class has a high tendency of allying with foreign capital. Poulantza posits that these characteristics of the petty bourgeoisie include petty bourgeois individualism; attraction to the status quo and fear of revolution, the myth of social advancement’ and aspiration to bourgeois status; belief in the ‘neutral state above classes; political instability and the tendency to support ‘strong states’ and Bonapartist regimes; as well as revolts taking the form of petty-bourgeois Jacqueries (Poulantza, 1973: 37 cited in Ibeanu, 2012). These characteristics of the petty bourgeoisie are amply reflected in the Nigerian State, which it inherited from the British colonialism. The present day Nigerian state found most of these characteristics beneficial and has systematically used them to further its purposes in conjunction with foreign capital (Ibeanu, 2012:9).

The imposition of increased tariffs in the regime of deregulation of the downstream oil sector in Nigeria increased the cost of various products and social services such as the cost of transportation, hospital and school fees. Workers have been retrenched in a number of industries and firms, the cost of manufactured goods rose sharply, petrol prices were hiked up. However, neo-liberalism is insistent that economic progress is only possible through deregulation and liberalization of trade, labour and prices. The implementation of deregulation in Nigeria has translated to price increases, a process which has led to higher fees for petroleum products. This explains why the petty ruling elite look to the state as an effective medium through which they could initiate or enhance their own capital accumulation. This attitude has done little to lessen the grip on Nigerian

economy of international capital. Since the state has become a means of production for those who control it, excessive corruption, misappropriation of resources and diversion of state funds to private uses have equally led to a rapid decline in the ability of the state to drive development and provide welfare services to the general populace. Consequently, there is a total collapse of public policy.

### **The Nexus between Economic Reforms and the January 2012 Protest**

It is widely acknowledged in Nigeria that the introduction of economic reforms especially with SAP failed to achieve their economic goals. They have not created wealth and economic development as unregulated markets did not benefit the poor. It also failed to protect the delivery of social services. Domestic manufacturing has collapsed and imported consumer goods have replaced domestic production. Consequently, privatization of public enterprises and services in Nigeria has allowed international capital to buy state enterprises at very low costs. Tax reforms such as Value Added Tax (VAT) places a greater tax burden on middle and low income groups ([newsrescue.com/how-th-IMF-World-bank-and-structural-adjustment-program](http://newsrescue.com/how-th-IMF-World-bank-and-structural-adjustment-program). Accessed 13 March, 2013). The deregulation of the banking industry means that high interest rates will be charged and this makes most goods unaffordable to the majority of Nigerians. Elimination of State Subsidies leads also to price increases and reduce real earnings in formal and informal sectors in Nigeria.

Furthermore, privatization, deregulation, and removal of State Subsidies in the health sector in Nigeria increased the inequality in health care delivery, reduced health coverage and increased the number of people without access to health care. Diseases such as HIV/AIDS, Malaria, and Cholera etc are on the increase due to removal of user-fees in our hospitals. This is because deregulation, privatization and removal of state subsidies impose severe hardships on the poor.

The President stated that subsidy on petroleum products must be stopped to encourage private refineries in Nigeria and end the irony of an oil producing nation importing fuel. The President seems to be suggesting that the rationale for deregulation is that fewer regulations will lead to a raised level of competitiveness, and therefore, higher productivity and improve efficient delivery of the product. But excessive deregulation can lead to economic collapse. The problem of deregulation and removal of subsidy has not been explained fully by the President. He has refused to include the cabals in the petroleum sector who import fuel. The problem is not with deregulation of subsidy as such but corruption going on between the Nigerian National Petroleum Corporation (NNPC) and importers. The rot in the NNPC clearly explains why over \$300 million was over paid by NNPC for fuel imports. False claims are paid for by the NNPC to importers and marketers, hence sky-rocketing the cost of subsidy and making mockery of it.

The petroleum sector has deliberately been made by successive Nigerian governments as the only sector on which the national economy depends. The country's economic strength is derived largely from its oil and gas wealth, which contribute 99 percent of government revenues and 38.8 percent of GDP (2010, National Budget).

Today, the oil industry has continued to play a significant role in the nation's effort towards political and economic development. Unfortunately, the sector has not only been overburdened, but has also become a conduit for corrupt practices by key government officials and their cronies. The country, considered one of the major oil producing nations is now a leading importing nation. Nigeria was once exporting refined petroleum products. At the time, there was little or no problem with the supply of fuel as demand and supply found a meeting point at the equilibrium price (Nwokoji, 2012). But with greed, corruption, lack of patriotism, vandalized pipelines, and dilapidated refineries coupled with increased population, the problem of establishing a balance between demand and supply of fuel arose. These problems notwithstanding, no sensible government attempts to remove subsidy on key sectors in her national economy without endangering the stability of that government.

The basis of the rapid economic growth today in Nigeria does not, seem to be sustainable. As Collier has observed, producers of oil and gas, solid minerals and timber had, in the past, witnessed their gross domestic products rise up to 10 percent within the first seven years, only to see them crash, two decades later, to only 75 percent of the point at which they started (Foreign Policy). The factors that generally produce such crash include failure to invest substantially in industrial manufacturing and human capital development; unrestrained public expenditure inconspicuous consumption of luxuries by the ruling class; and passive corruption, especially in official circles (Asobie, 2007:7). Nigeria is, in fact presented as an example of abysmal failure. It is noted that successive governments in Nigeria have woefully failed to efficiently manage Nigeria's huge natural resources and to put to good productive use the huge revenue from its natural endowments. It is estimated that Nigeria lost about US\$400 billion "to waste and corruption" between 1960 and 2005. Interestingly, in the same period, external aid reaching the whole of Africa from the West, that is principally, Europe and America, amounted roughly to US \$650 billion (Asobie, 2007:7). Waste and corruption have continued unabated today in Nigeria in spite of the rhetorical commitment to the fight against corruption. Consequently, the most critical factor that under-develops Nigeria and impoverishes its people is intra-class struggle among members of the ruling elite for control of state power and dominance over the economy. The flip side of this process is the alienation of the people from the desperate struggles to govern them, and to rule over them.

It is in the light of the above that the masses trooped out on mass to protest what they considered to be government's insensitivity to their plight. The January 2012 fuel subsidy protests took place across many Nigerian cities such as Lagos, Kano, Abuja, Ibadan, Ilorin, Lokoja, Nasarawa and at the Nigerian Embassy in London. Protests were also recorded in New York and Washington D.C as well as Belgium and Brussels. The mass protests and demonstrations which were led by the Nigeria Labour Congress (NLC), Trade Union Congress (TUC) and other Civil Society Organizations were reported to have claimed about 25 lives with about 450 arrested across the country. The dead were said to

have been shot by members of the Nigeria Police Force. However, in consonance with the character of the bourgeois and petty bourgeois class in Nigeria, the Nigeria Labour Congress (NLC) had on January 16, 2012, suspended the protests while continuing with the strike, citing “security concerns” and fears that “certain elements want to hijack” them. This led to civil society groups accusing them of a sell-out and betrayal. The behavior of the NLC is however, not surprising as it is symptomatic of the behavior of the petty-bourgeoisie in periods of crisis, especially when their class interests are threatened.

Even in developed economies, palliative measures in areas such as transport, housing, energy and agriculture are adopted to rescue the vulnerable segments of the society from falling to the bottom. E.U Countries even borrow to subsidize these sectors. The case is however different in Nigeria. With 70 percent of the total population living below a dollar per day and with official unemployment figure put at 29 percent (Omotosho, 2009). Since the introduction of neo-liberal economic policies in Nigeria in 1986, the country has been grappling with the problem of fuel subsidy removal by successive governments. This has pitched the masses against the government and has resulted in mounting tensions in the country. Despite public outcry, government insisted on the removal of subsidy. Table 1 below shows different price movements in Nigeria under different regimes and the percentage change.

**Table 1: Petroleum Price Increases/Adjustments in Nigeria (1978-2012)**

| S/N | DATE    | ADMINISTRATION                            | PRICE  | PERCENTAGE CHANGE |
|-----|---------|---|--------|-------------------|
| 1   | 1978    | Gen.Olusegun Obasanjo( as military ruler) | 15.37k |                   |
| 2   | 1982    | Alh.Shehu Shagari                         | 20k    |                   |
| 3   | 1990    | Gen.Ibrahim Babangida                     | 60k    | 300%              |
| 4   | 1992    | Gen.Ibrahim Babangida                     | 70k    | 17%               |
| 5   | 1992    | Gen.Ibrahim Babangida                     | N3.25K | 364%              |
| 6   | 1993    | Gen.Ibrahim Babangida                     | N5.00  | 54%               |
| 7   | 1994    | Chief Ernest shonekan                     | N11.00 | 120%              |
| 8   | 1994/98 | Gen.Sani Abacha                           | N11.00 |                   |
| 9   | 2000    | Olusegun Obasanjo(as civilian ruler)      | N20.00 | 82%               |
| 10  | 2000    | Olusegun Obasanjo(as civilian ruler)      | N22.00 | 10%               |
| 11  | 2001    | Olusegun Obasanjo(as civilian ruler)      | N26.00 | 18%               |
| 12  | 2003    | Olusegun Obasanjo(as civilian ruler)      | N40.00 | 54%               |
| 13  | 2004    | Olusegun Obasanjo(as                      | N45.00 | 13%               |

|    |      |                                      |         |       |
|----|------|--------------------------------------|---------|-------|
|    |      | civilian ruler)                      |         |       |
| 14 | 2007 | Olusegun Obasanjo(as civilian ruler) | N70.00  | 56%   |
| 15 | 2007 | Alh. Umara Shehu Yar'Adua            | N65.00  | 0.07% |
| 16 | 2012 | Dr.Goodluck Jonathan                 | N141.00 | 117%  |

**Source: Communique by South-South Elders and Leaders, 2012.**

Table 1 shows the indiscriminate increases in the pump price of fuel by successive governments in Nigeria. These increases have contributed in no small measure to the deterioration of the living conditions of Nigerians and have contributed to high level of poverty among Nigerians.

The table below shows petrol prices in selected oil producing countries:

**Table 2: Petrol Prices in Selected Oil Producing Countries.**

| S/N | COUNTRIES    | PUMP PRICES IN US DOLLARS | PUMP PRICE IN NAIRA |
|-----|--------------|---------------------------|---------------------|
| 1   | Algeria      | 0.41                      | 66.42               |
| 2   | Bahrain      | 0.27                      | 66.42               |
| 3   | Brunei       | 0.39                      | 63.18               |
| 4   | Egypt        | 0.31                      | 50.22               |
| 5   | Iraq         | 0.38                      | 61.56               |
| 6   | kuwait       | 0.22                      | 35.64               |
| 7   | Libya        | 0.17                      | 27.54               |
| 8   | Nigeria      | 0.87                      | 140.94              |
| 9   | Oman         | 0.31                      | 50.22               |
| 10  | Qatar        | 0.22                      | 35.64               |
| 11  | Saudi Arabia | 0.16                      | 25.92               |
| 12  | UAE          | 0.49                      | 79.38               |
| 13  | Venezuela    | 0.023                     | 3.726               |

**Source: Compiled by German Technical Cooperation (GTZ) and Published by Wikipedia, 2012. (Modified by the authors)**

The table clearly shows that fuel price in Nigeria are more expensive than in other oil producing countries similarly placed. The argument here is that Nigerians have no business paying the outrageous price they are currently subjected to by the corrupt members of the Political class.

Table 3 below shows the fuel prices per litre and the minimum wage for OPEC and Non-OPEC countries. A comparative analysis of the pump prices shows that Nigeria has the highest price per litre of fuel and the lowest minimum wage.

**Table 3: OPEC and Non-OPEC Countries and their Fuel Prices per Litre and Minimum Wage.**

**OPEC COUNTRIES**

| S/N | COUNTRIES    | FUEL PRICE PER LITRE # | MINIMUM WAGE # |
|-----|--------------|------------------------|----------------|
| 1   | Venezuela    | 3.61                   | 95,639         |
| 2   | Kuwait       | 34.54                  | 161,461        |
| 3   | Saudi-Arabia | 25.12                  | 99,237         |
| 4   | Iran         | 102.05                 | 86,585         |
| 5   | Qatar        | 34.54                  | 101,250        |
| 6   | UAE          | 70.18                  | 103,112        |
| 7   | Algeria      | 63.55                  | 55,937         |
| 8   | Libya        | 26.69                  | 23,813         |
| 9   | Iraq         | 59.66                  | 25,813         |
| 10  | Nigeria      | 141                    | 18,000         |

**NON-OPEC COUNTRIES**

| S/N | COUNTRIES | FUEL PRICE PER LITRE # | MINIMUM WAGE # |
|-----|-----------|------------------------|----------------|
| 1   | USA       | 157.00                 | 197,296        |
| 2   | UK        | 334.41                 | 295,644        |
| 3   | OMAN      | 48.67                  | 91,583         |

**Source: The Nation, 2012. Monday January 6, Pp.40. (modified by the authors)**

From the table above, it can be seen that the basis for Nigeria's political elite comparing our pump price of fuel with other countries is not there. The reason is not far-fetched, in most of the countries listed; there is stability of basic utilities like stable power, availability of portable water, good roads and other factors. Nigeria is not the only OPEC country subsidizing petroleum products. Alozie (2009:19) explains that in Libya, the government spends about \$5 billion to subsidize fuel annually. Malaysia, a non-OPEC country spends \$14 billion annually to subsidize gasoline, diesel and gas. As at 2008, with crude oil price at \$147, Indonesia sold a litre for 65cents and prior to the astronomical increase in crude oil price of \$147 per-barrel, Indonesia in 2005 sold fuel for as low as 20 cents or equivalent of N29 and as crude climbed to its world record highest in mid 2008, the peak price of fuel in that country was just 70cents whereas Nigeria spends only N600 billion or \$4.1 billion to subsidize petroleum products (Alozie, 2009).



### Timeline of Increases and Protests

Mass protest against government policies and programs in Nigeria assumed a frightening dimension during the regime of Babangida especially with his introduction of World Bank and IMF-sponsored Structural Adjustment Programmes, which made fuel subsidy removal, one of its major policy planks. The implementation of these neo-liberal economic principles further exacerbated the development crisis of Nigeria and caused untold hardship on Nigerians. Successive governments in Nigeria have continued to remove fuel subsidy hitherto enjoyed by Nigerians on fuel thereby occasioning protests and mass demonstrations that have in some cases, threatened to tear the country apart. Table 4 shows the dates, causes of protests and their consequences for Nigeria's Political Economy.

**Table 4: Fuel Subsidy Protests and their Consequences for Nigeria's Political Economy**

| Date | Increase  | Regime    | Consequences For Nigeria's Political Economy   |
|------|-----------|-----------|--|
| 1986 | 20k-39.5k | Babangida | Tension and mass protests across the country.  |
| 1988 | 39.5k-42k | Babangida | Resulted in demonstrations and reports of state repression of protesters and dissolution of NLC'S national organs.   |
| 1989 | 42k-60k   | Babangida |  |
| 1991 | 60k-70k   | Babangida | Mass Protest and Police use of tear gas to disperse protesters.  |
| 1993 | 70k-N5    | Shonekan  |  |
| 1993 | N5-N3.25  | Abacha    |  |
| 1994 | N3.25-N15 | Abacha    | Massive street protests and police shooting of protesters  |
| 1994 | N15-N11   | Abacha    |  |
| 1998 | N11-N25   | Abubakar  | Protests and mass demonstrations across the country. After a series of flow stations were shut down, having been taken over by a group of Ijaw youths, Nigeria's total oil output fell by a third.                               |
| 1999 | N25-N20   | Abubakar  | Nigerian police opened fire and used tear gas to disperse protesters trying to gain entry into the National Assembly complex in Abuja. The demonstrations were called by the NLC to protest against plans to end fuel subsidies. |

|      |               |          |   |
|------|---------------|----------|---|
| 2000 | N20-N30       | Obasanjo | Mass protest and Rejection  |
| 2000 | N30-N25       | Obasanjo |   |
| 2002 | N25-N26       | Obasanjo |   |
| 2003 | N26-N40       | Obasanjo | Nigeria was engulfed by four nationwide stoppages over fuel subsidies. It witnessed a legal battle over the extent of right to strike |
| 2003 | N40-N34       | Obasanjo |   |
| 2003 | N34-N39.50    | Obasanjo |   |
| 2003 | N39.50-N41.50 | Obasanjo |   |
| 2004 | N41.50-N40    | Obasanjo |   |
| 2004 | N40-N48.50    | Obasanjo | Fuel hike affected international and domestic flights in Nigeria due to shortages of aviation fuel. Nigeria's economy came to a halt. |
| 2005 | N48.50-N52.50 | Obasanjo |   |
| 2007 | N67-N66.50    | Obasanjo |   |
| 2007 | N66.50-N65    | Obasanjo |   |
| 2007 | N65-N70       | Obasanjo | Four days of strike actions and protests  |
| 2007 | N70-N65       | Yar'Adua |   |
| 2012 | N65-N141      | Jonathan | 8 days of strikes, protests, demonstrations with an estimated 25 Nigeria lives lost.  |
| 2012 | N141-N97      | Jonathan | 4 weeks of demonstration and protest  |

**Source: Compiled by the Authors**

The Jonathan administration has once again shown that Nigerian leaders do not have the interest of those under their watch at heart and will do anything to increase the misery index of the people through the plethora of unpopular policies they impose on the people. The anti-subsidy removal protests show that clearly. Nigeria's elites are not state power interest groups; they are pressure groups contesting for control of government through election- winning machines organized by them.

**The Impact of the 2012 Fuel Subsidy Protests on the Presidency Behaviour**

Apart from the human impact which resulted in the loss of lives and the increased deterioration of the living conditions of the masses, the protests among others, led to:

- Government's announcement of the reduction of the pump price of fuel from #141 to #97 per litre.

- An announcement by the presidency of the reduction of the salary of the president and other government officials by 25 per cent.
- Invitation by the president of the Economic and Financial Crimes Commission to probe subsidy payments.
- Inauguration of a presidential committee on Verification and Reconciliation of Fuel Subsidy Payments, headed by Mr. Aigboje Aig-Imokhuede to probe marketers and government officials involved in the fuel subsidy scam.
- Launching of 1600 Mass Transit buses to cushion the effects of fuel subsidy removal.
- The Minister of Finance, Dr. Ngozi Okonjo-Iweala had said that based on Gross Domestic Product (GDP) estimates, the country lost about #300 billion to the week-long strikes and protests.
- Establishment of the Subsidy Reinvestment Programme (SURE-P) to re-channel fuel subsidy proceeds into providing urgently needed infrastructure and social amenities for the economic development of the country as well as providing an economic cushion for the vulnerable segments of the society.

Unfortunately, the gains of the 2012 fuel subsidy protests appear to have been lost as long queues are back at filling stations while a litre of fuel currently sells between #130 and -#140 against the government-approved price of #97 per litre. Additionally, the much touted SURE-P has gone the way of other government programmes with the organization currently embroiled in corruption allegations amounting to the tune of #500 million. Additionally, oil marketers indicted by the Senate oil probe committee are still walking free in spite of their complicity in the fuel subsidy conundrum.

After the massive protests that greeted the 1<sup>st</sup> January, 2012 announcement of the outright removal of fuel subsidy by the federal government and the allegations of fraud and corruption in the administration of fuel subsidy, the senate set up an ad-hoc committee to probe such allegations. The 2005 page report of the probe panel as led by Farouk Lawan, bears testimony to the fact that even at N65, there is no subsidy being paid at all on the PMS while N97 is way too high above the abnormal profit region on the oil marketer's revenue chart (Segun, 2014). The ad-hoc committee established that certain highly placed government officials compromised the entire Petroleum Support Fund (PSF) scheme to the extent that "round tripping, back loading and other fraudulent practices became the order of the day". Some of the politicians and key government officials, bureaucrats, and their cronies who were indicted by the committee are Ahmadu Ali, former national chairman of the PDP, minister of petroleum, Diezani Alison-Madueke as well as Augustine Oniwon, group managing director of the NNPC. The committee stated that contrary to the earlier official figure of subsidy payment N1.3 trillion, the Account-General of the federation put forward a figure of N1.6 trillion, the Central Bank of Nigeria, CBN N1.7 trillion, while the committee established subsidy payment of N2, 587.087 trillion as at 31<sup>st</sup> December, 2011, amounting to more than 900% over the appropriated sum of N245 billion. This figure of N2, 587.087 trillion is based on the CBN figure of N844.944 billion paid to NNPC, in addition to another figure of

N847.942 billion reflected as withdrawals by NNPC from the excess crude account, as well as the sum of N894.201 billion paid as subsidy to the marketers. In essence, the subsidy regime as operated between the period under review (2009 and 2011), was fraught with endemic corruption and entrenched inefficiency. In addition to government officials who have been indicted, some of the indicted petroleum marketers can be seen in the following diagram:

**Table 5: Oil Cabals and Their Promoters**

| <b>S/No</b> | <b>Company Name</b>   | <b>Promoters</b>        | <b>Allocation (N billion)</b> |
|-------------|-----------------------|-------------------------|-------------------------------|
| 1           | Oando Nigeria PLC     | Wale Tinubu             | N228.506                      |
| 2           | MRS                   | Sayyu Dantata           | 224.818                       |
| 3           | Pinnacle Construction | Peter Mbah              | 300.000                       |
| 4           | Enak oil and gas      |                         | 19.684                        |
| 5           | Conoil                | Mike Adenuga            | 37.960                        |
| 6           | Bovas & Co. Nig Ltd   | Bamidele O. Samson      | 5.685                         |
| 7           | OBAT                  | F.E.O. Akinnuntan       | 85.000                        |
| 8           | Folawiyo Oil          | Yinka Folawiyo          | 113.300                       |
| 9           | IPMAN Investment Ltd  |                         | 10.900                        |
| 10          | ACON                  | Aliko Gwadebe           | 24.100                        |
| 11          | ATIO Oil              |                         | 64.400                        |
| 12          | AMP                   |                         | 11.400                        |
| 13          | Honey Well            | Nino Ozara              | 12.200                        |
| 14          | EMAC Oil              |                         | 19.200                        |
| 15          | De. Jones Oil         |                         | 14.800                        |
| 16          | Capital Oil           | Ifeanyi P. Uba          | 22.400                        |
| 17          | AZ Oil                |                         | 18.613                        |
| 18          | Eterna Oil            | Mahmud Bamanga<br>Tukur | 5.570                         |
| 19          | Dozil Oil             |                         | 3.375                         |
| 20          | Fort Oil              | Zira Malagadi           | 8.582                         |
| 21          | Integrated Oil & Gas  | Capt. Iheanacho         | 30.777                        |

|    |                   |                    |         |
|----|-------------------|--------------------|---------|
|    |                   | Emmanuel           |         |
| 22 | African Petroleum | Jimo Ibrahim       | 104.58  |
| 23 | A. Rano           |                    | 1.140   |
| 24 | A.S.B             |                    | 3.160   |
| 25 | Arcon Plc         |                    | 24.116  |
| 26 | Aminu Resources   |                    | 2.300   |
| 27 | Avante Guard      |                    | 1.140   |
| 28 | Avido             |                    | 3.640   |
| 29 | Boffas & Energy   |                    | 3.670   |
| 30 | Brilla Energy     |                    | 0.9603  |
| 31 | Downstream Energy |                    | 0.7897  |
| 32 | In Co Ray         |                    | 1.988   |
| 33 | ASCON Oil         | Barr. Grace Enemoh | 5.271   |
| 34 | Channel Oil       |                    | 1.308   |
| 35 | First Deepwater   |                    | 257.396 |

**Source: Adapted from Eme, O (2011) “Deregulation and Anti- Subsidy Strikes in Nigeria”, 2000-2012.**

The above table shows the names of oil beneficiaries and their individual haul. Some of them are said to have collected oil receipts without importing fuel while others are alleged to have bloated their actual oil payments in connivance with certain government agencies and individuals

In spite of the recommendations of the committee that all those indicted by its report be probed, government appears not to be interested in nipping corruption in that sector in the bud. Recent comments by the political adviser to President Goodluck Jonathan, Ahmed Gulak provides proof that the presidency may not be interested in the report of the committee. Government position is however not surprising as it is in symptomatic of the nature and character of the state, especially, the Nigerian state. This state serves to protect the interest of the ruling elite. Therefore, presidency behavior with regard to the fuel subsidy imbroglio is at best, ambivalent and tends to support the assertion that the current government has no solution to the crisis in the sector. Majority of those indicted have close ties with the current administration which has informed government’s hostile response to the public protest.

The unique nature of the post-colonial states such as Nigeria lies primarily in the fact that it combines the function of serving as a major instrument of capital accumulation with that of being a direct instrument of class formation and domination. From all indications, the masses will continue to bear the brunt of government inefficiency and graft in the administration of fuel subsidy in Nigeria. The Nigerian state as is presently constituted will continue to safeguard the interests of the ruling class by aiding corrupt practices or at best, administering a regime of selective justice. One thing is clear, that it

will continue to safeguard the political and economic interests of its members even if it means peasantiling the masses.

In the simplest term, the failure to affect popular political culture in Nigeria lies in the absence of an independent and creative ruling class of the type that brought the industrial revolution to the Western World and Japan, or even the self-disciplined and sacrificing type that engineered self-sustained growth in Taiwan, South Korea, Malaysia and Singapore (Nnoli, 1993:31). This class has external rather than internal focus in outlook and behavior. Scholars such as Ake posit that monopoly tendencies and market imperfections are highly significant features of post-colonial economy. In emerging democracies such as Nigeria, they affect the character of accumulation, the prospect of liquidating underdevelopment, and the character of politics. This has become the ideas, customs, and social behavior of the Nigerian political elites.

### **Theoretical Perspective: The Nigerian state and Removal of State Subsidies**

In a rentier state such as Nigeria, the facilitation of creation and capture of astronomical oil rents makes politics to remain first and foremost a “warlike” competition to distribute and consume state resources on the basis of patronage to those in government, courtiers of government, friends, and family members among others. The oil cabals could not be prosecuted because they belong to the ruling party. This unique social and political environment is expressed in its self-image, inner workings and interactions within the ruling elites. Elite access to state power and spoils of office may ensure elite cooperation. Consequently, the dominant political culture seems to be characterized by neo-patrimonialism, that is, system based on personalized structures of authority where patron-client relationships operate behind a façade of ostensibly rational party bureaucracy. This overshadowed everything else, including the pursuit of development and welfare of Nigerians at large.

Generally, the post-colonial state presents a number of structurally linked characteristics that have far-reaching implications for the Nigerian economy. First, this state is all-powerful. It tends to be interventionist in all spheres of life of society, especially the economy. Although a capitalist state, it frequently intervenes directly to reconstitute production relations. The post-colonial state inherits its omnipotence, absolutism and totalitarianism from the colonial state, which was saddled with the all-encompassing role of establishing capitalism in the colony. Intervention in the economy is particularly attractive to the post-colonial state because the class that controls it is underdeveloped as a capitalist class. Therefore, dirigisme offers an opportunity to build its economic base as a capitalist class. Thus, this state has been described as a “means of production” (Ekekwe, 1986) and a means of “primitive accumulation” of capital (Iyayi, 1986). The involvement in the accumulation of state resources is inclusive and massive for the members of the class. The post-colonial state is arbitrary. Like its colonial antecedent, this state is capricious. It allocated the best resources to whomever it chose. In its arbitrariness, the post-colonial state had no time for representation: the people are

mere subjects; it did not consult the people, and as such the arbitrary increase in the pump prices of petroleum products.

In spite of anti-colonial struggles, the postcolonial state altered very little in the arbitrariness of its predecessor. This is especially the case in countries like Nigeria where independence was negotiated with the colonialists. Negotiated independence implied that the structures of the colonial state were not changed in any fundamental sense. It was just a change of personnel. The continued arbitrariness of the post-colonial state means, in part, that those who control it have not been able to evolve and respect a set of ground rules for its use. Therefore, there are weak, if any, institutional mechanisms for moderating its enormous power. This applies not only in the relations between dominant and subordinate classes, but in relations among sections of the dominant classes, namely those in control of state power and those seeking state power. Despotism is a lasting mark of the postcolonial state.

Third, since the state is all-powerful and there are few safeguards on how its tremendous power is to be used in a moderate and civil manner, groups and individuals take a great stock in controlling the power of the post-colonial state. So, it is characteristic of the postcolonial state that its members put a premium on politics. Politics is everything and everything is politics, including life and death. Whoever wins in politics wins everything, and whoever loses, loses everything, including lives and livelihoods. The primacy of politics becomes even worse as economic resources contract or become more concentrated, usually as a result of the persistence of the colonial economic project that has conduced dependence, stagnation and under-development. As this happens, the social base of the post-colonial state becomes even narrower, further intensifying the primacy of politics. (Ibeanu, 2005).

Fourth, arbitrariness, lack of moderating political institutions and the narrow social base of the postcolonial state lead to a general lack of faith in it by the people, thus the January protest. Therefore, this state exhibits a very low level of legitimacy. Low legitimacy further denudes the confidence of disadvantaged groups in the capacity of the state to protect their interests. Nor are dominant groups less distrustful of the state. In the final analysis, this state remains unable to appear as an independent and autonomous power standing above social antagonisms as a representative of the general interests of the entire Nigerians.

Finally, because this state remains essentially the state of sectional interests rather than a representative of the collective interests of the people, there is no sense of unity of its powers. Instead, it exists as prebends parceled out to various sectional interests, in the Nigerian case, ruling class interests in particular. The foregoing positions informed the protest and why no serious action has been taken against any independent marketer involved in the importation of refined petroleum product scam.

## **Conclusion**

This study reviewed the epistemology which underpins fuel subsidy removal in Nigeria. The work shows that the crisis in the downstream sector of the oil industry in Nigeria is directly linked to the neo-liberal economic reforms of international financial institutions in collaboration with Nigeria's ruling elite. Although touted as the panacea to the lingering crisis in the oil industry, these reforms have rather exacerbated the problem by prompting Nigerians to embark on protests as a way of registering their discontent. In spite of the claimed gains of the 2012 fuel subsidy protests, the nature and character of leadership in Nigeria has ensured that the crisis in the downstream oil sector remains intractable as is manifested in the continued importation of refined petroleum, aiding and abetting of corrupt oil marketers and government officials as well as the unwillingness of the political leadership to resuscitate the ailing refineries in Nigeria and building new ones. Consequently, fuel subsidy regime in Nigeria should be continued as it is a veritable tool for preventing the vulnerable segments of the society from falling to the bottom. For sanity to return to the oil sector, serious disciplinary measures should be put in place to check the excessive drive for wealth by the oil magnets. The expected solution coming from neo-liberal reforms has not come after so many years of its implementation and as such must be discontinued in addition to fixing our refineries and by extension, making conscious effort to refine our crude at home.

## **Recommendations**

1. Presidential behaviour towards indicted petroleum marketers indicates a very strong link between petroleum marketers and the political leadership as is seen in the unwillingness of the government to prosecute them. Therefore, all those indicted in the fuel subsidy probe must be made to face the full wrath of the law and mechanisms put in place to avoid a reoccurrence of such events. Where necessary, laws like the 'Chinese example' should be enacted to help fight corruption in national life.
2. Nigeria has the highest price of fuel per litre and the lowest minimum wage among OPEC countries. If the current price regime of fuel must continue, then, there should be a commensurate and significant increase in the minimum wage as is obtainable in other OPEC countries.
3. It is mind-boggling and unbelievable that the so-called giant of Africa cannot refine her crude at home. The government should as a matter of national importance, embark on the resuscitation of our ailing refineries as well as making conscious effort to build new ones. Additionally, the Federal Government should direct the NNPC to stop the 'crude for products arrangements'- the practice of swapping crude oil for refined petroleum products from foreign refineries. It is like modern day trade by barter and is open to corruption and round tripping of crude and petroleum products. The crude should rather be re-directed to our local refineries where they will be refined.
4. The implementation of the principles of neo-liberalism has had disastrous consequences on the economies of many Third World countries. Therefore, the ruling elite in affected countries, desirous of genuine transformation of their economies, are now



rejecting this bitter pill as administered with inspiration from the World Bank and the IMF. The Nigerian ruling class must do the same and therefore put an end to deregulation of the economy as well as the rolling back of the state. We are in essence, calling for a strong developmental state that will be at the forefront of societal transformation which the country so badly needs.

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# **NIGER DELTA CRISES AND NATIONAL SECURITY IN NIGERIA: ISSUES AND IMPLICATIONS**

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## **Abstract**

National security as used in this paper refers to the capacity of a state to promote the pursuit and realization of the fundamental needs and vital interests of its citizens and society, and to protect such from threats which may be economic, social, environmental, political, military or epidemiological in nature. The protracted violence, crisis and kidnapping, cry of marginalization, agitation for resource control, in the Niger Delta region of Nigeria constitutes the Niger Delta crises and have provoked national and international attention. This is as a result of the huge loss of revenue by the government, any time there is truncation in production, arising from crisis and insecurity in the area. This study is necessary because greater percentage of the national income is generated from the Niger Delta region of Nigeria. However, the study was carried out in Bayelsa, Delta and Rivers States of Nigeria. Questionnaires were distributed for the study and 1,200 questionnaires were returned and analyzed. This research employed the survey design as the road map for this study. Four point Likert Scale was used, mean and standard deviation was also used for accepting or rejecting the views of respondents. Based on the findings of this study some recommendations were made which includes the sincere policy by the government to develop the region and the citizens or inhabitants of the region should not easily resort to violence.

**Keywords:** *Niger Delta Crises, National Security, Marginalization, Resource Control*

## **Introduction**

The core interest of Nigerian defense policy is to ensure nation's survival and security. The Niger Delta region of Nigeria has been termed the "treasure base of the nation". It is described as the mainstay of the Nigeria economy (Mbeke-Ekanem, 2000:16). In recent times, the Niger Delta has attracted global attention than ever before. Many reasons account for this development; Niger Delta is the largest wetland in Africa, and the second largest Delta in the world, covering an area of over 70,000 square kilometres, with a population of 15 million, and more than 40 ethnic groups. Niger Delta,

a once noticeably peace-loving area of Nigeria, has in recent times been overtaken by crises, arms-trafficking, kidnapping and all other social vices. Ilufoye (2009) noted that in economic terms, millions of dollars have been lost to youths' restiveness, disruption of production, pipeline vandalization, hostage taking, assault and bombing of oil installations; this explains the situation in Niger Delta area today.

The prevalence of crises in the Niger Delta region of Nigeria has graduated to the level of attracting attention from scholars and institutions. The security of a state directly translates to its ability to protect its citizens, as well as national assets, from both internal and external threats. In a state where there is adequate security, it facilitates individuals and groups in carrying out their legitimate businesses without any significant undue hindrance. A nation's security may be undermined by external or internal conflicts or violence resulting from social, political, religious and economic misunderstandings within it.

Onuoha (2008) stated that the Niger Delta enormous crude oil resources have been the major attraction for the transnational corporation and extractive communities in Nigeria. Yet little or nothing is left behind to alleviate the suffering of the people of this region from whose land the bank account of multinational companies and the treasury of the federation are swollen (Basina, 2001) in Oguonu (2007:3). Niger Delta region gives Nigeria over 35 billion barrels of proven oil reserves besides an even larger deposit of gas (Courson, 2009:131, Enyila & Ukpo 2006). Irrespective of its oil wealth the region represents an example of extreme poverty as the vast oil revenue has barely touched pervasive local poverty (United Nations Development Programme, 2006).

Joseph, (2003) stated that, the need for peace and security in the Niger Delta region cannot be overemphasized because for exploration to take place there is need for peace. Notwithstanding, there is no correspondence between development in all its ramifications in the Niger Delta region of Nigeria; the wealth that is generated in the region, rather, "the most visible presence of both the Nigerian State and its collaborating Multinational Corporations is not to be found in development" and empowerment programmes but "in crises and heavy development of their coercive apparatus". Inhabitants of the region, which include, elders, women, children and youths have resorted to various forms of resistance due to their continued neglect. Petition-writing, legal actions, hostage taking, armed uprising, community mobilization, pipeline damage and vandalism have assumed new and alarming dimensions in the region (Okecha, 2003:26). The consequence is that the Niger Delta region of Nigeria "remains one of the least developed regions of Nigeria, epitomizing one of the most pathetic paradoxes and contradictions of living in wealth and dying in suffocating and miserable poverty" (Oviasuyi & Unadiae, 2010).

Oil as a natural endowment in a particular community, area or region, with its exploration and exploitation, is expected to be an abundant blessing to such community, area or region (Oviasuyi & Unadiae 2010). Ethnic militias in the region have continued to

engage in criminal activities such as kidnapping and oil bunkering to maximize profits for themselves and their political patrons (Nnamani & Eboh, 2011).

The interests of the Multinational Corporations and those of the Nigerian Government demand a symbiotic relationship as regards the Niger Delta especially in the delivery of social amenities. This hinges on the national security of the Nigerian State and the home States of the Multinational Corporations. Paradoxically, the actions of the Nigerian State and those of the Multinational Corporations against the Niger Delta region, coupled with the actions and reactions of the people of the Niger Delta in recent times, poses a serious threat to security.

The incidence of crises in the Niger Delta presently, creates fear over the generation of revenue by the government of Nigeria and it also creates fear for the Multinational Corporations operating in the region. The action of the people of the Niger Delta region reveals high level of hostility; this is as a result of the underdevelopment of the area which is capable of undermining national security. This case provides justifications for this paper on the Niger Delta crises and national security with a view to drawing the attention of the Nigerian Government, Multinational Corporations in Nigeria and Niger Delta citizens, to their responsibilities for the security of one another, for the harmonious and corporate existence of one and all.

### **Theoretical Framework**

Sequel to the nature of the subject matter of our study, (Niger Delta Crises and National Security), the political economy approach is adopted as the theoretical framework of analysis. The proponent of this theory is Karl Marx and Engels Fredrick. The tenets of the theory are as follows

- ❖ There are economic laws governing the production and distribution of material benefits in human society at the various stages of its development.
- ❖ Material production is the basis of human existence.
- ❖ To sustain life, people have to produce food, clothing, homes and other vital necessities.
- ❖ The process of production consists in the interaction between man, or rather, society, and nature. Regardless of the form of society, the interaction between man and nature consists in the unity of three elements, labour, object of labour and the means of labour.
- ❖ Labour is the prime basic condition for all human existence and this is to such an extent that, in a sense we have to say that labour created man himself.

Marxian theory has been adopted here. Some of the advantages of this framework include the following:

Nikitin (1983) posits that Marxian analysis conceives of political economy in terms of the laws governing the production and distribution of the material means of subsistence in the human society at various stages of its development. Okolie (2009) argued that the

approach also includes international division of labour, international exchange, World market and crisis.

The theory of Political Economy by Karl Marx and Engels Fredrick is a good tool of analysis in the Nigerian situation. In Nigeria, there are laws that govern the production, distribution and sale of natural endowment and the wealth generated by the government. These laws can be seen today in Nigeria as acts, policies and even constitutional provisions as relating to the sharing of the revenue from the sales of crude oil which is the mainstay of the Nigerian economy. These laws guiding and governing the production and distribution of material benefits in Nigeria is frequently reviewed by the national assembly or by sovereign national conference.

The extent of advancement in technology in a state is a yardstick of measuring the level of development of that country and many countries in the World. Nigeria is still not among the developed countries technologically, this is because we do not have managerial skills to manage new technologies. One of the reasons why Nigeria is still poor is because we do not produce most of the things we use for our material existence. Another problem or challenge Nigeria is facing is that Nigeria's refineries are functioning far below it capacity. This is the reason that over eighty percent of crude oil used in Nigeria is refined abroad. This is one of the banes of development in Nigeria.

To sustain life and the peaceful existence of people, there must be the satisfaction of the basic needs of individuals in any society. These basic needs as postulated by Maslow in his hierarchy of human needs theory stated that the most important human needs are the physiological needs which includes the need for clothing, shelter, sleep, sex, safety and security need. According to Marx, other natural necessities includes safety and security need which is a serious issue that affect the existence of the inhabitants of the Niger Delta region. Therefore, to sustain the coexistence of people in any polity, there has to be national security. National security goes beyond just the protection of lives and properties in a state, it also includes the extent to which citizens can feel that they are not vulnerable to autocratic rule by the ruling or dominant class in the society.

The framework stated thus, that the process of production consists in the interaction between men or rather society and nature. Regardless of the form of society, the interaction between man and nature consists in the unity of three elements; labour, object of labour and the means of labour. In the Nigerian situation, the interactions between these components are disjointed because we do not have enough capital to build refineries. However, if there is capital to build such, transparency and accountability will be lacking in the part of the government in executing such capital intensive project.

This framework lays a great deal of emphasis on labour as being the condition of all human existence. This explains the centrality and importance of jobs in Nigeria. That is why when there is great deal of controversy regarding to some job in Nigeria, the principle of federal character and quota system comes into play. The centrality of labour in human existence cannot be overemphasized; this is the simple reason why threats of strike by labour in advanced countries are not treated by the government with levity. Same

is applicable in Nigeria that threat from labour organization on embarking on strike has most times yielded results. The usefulness of this framework to our study here is, therefore, quite glaring.

### **Conceptual Clarification of Terms**

**Crises:** according to Onwuka (1994:108), marks a turning point in difficulty, danger or anxiety. In his own contribution, Kanno (1995), in Odigbo and Udensi (1996), refers to crises as a critical point in the life of a man, a state or a nation in which an important decision has to be taken to improve a situation or arrest an impending danger. Crises in any setting have been known to be detrimental to progress more especially when the youths, full of energy and vigour, are involved.

**National Security:** it entails a condition in which citizens of a country enjoy a free, peaceful and environmental serenity, and have access to resources which will enable them to enjoy the basic necessities of life (Enahoro, 2004). National Security as a more specific term implies the absence of threat to life, property and socio-economic well being of a nation and its people (Sanusi, 2009). Imobigbe, (1990:224) described national security as freedom from danger, or from threat to a nation's ability to protect and defend itself, promote its cherished values and legitimate interests, and enhance the well being of its people. Carey (2000) argued that the concept 'national security' is often misunderstood and elusive. It is a strange phenomenon, a subjective "feeling," and therefore relational and relatives, rather than an objective "thing" that can be seen and handled. You cannot touch security rather you can only feel secured (Okey & Marthins 2008:300).

Security is the degree of protection against danger, damage, loss and crime. Security as a form of protection is structures and processes that provide or improve security as a condition. The "Institute for Security and Open Methodology", defined security as a form of protection where a separation is created between the assets and the threat. This includes but is not limited to the elimination of either the asset or the threat.

**Niger Delta:** Historically, the area commonly known as the Niger Delta is a "triangle with apex between Ndoni and Aboh, descending eastwards to the Qua Iboe Rivers at Eket and westwards to the Benin River, with its base along the Atlantic coast between the Bights of Benin and Biafra" (National Discourse, 2007:16). It is also more expansively defined to include the Mineral-Oil producing states of Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers State, which also constitute the new geo-political area of the South-South. In addition, Tamuno (2000:12) stated that the dominant view sees the constituent states of the region as Bayelsa, Cross River, Delta, Edo, and Rivers. The Niger Delta comprises of about 1,600 communities in the nine states, namely, Abia, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Edo, Imo, Ondo and Rivers with more than 20 million people (Undeme, 2004:7).

The Niger Delta region is strategically located in the southern part of Nigeria. It is homeland to several ethnic minorities of Nigeria and it is internationally recognized as one of the world's largest wetland. Economically, the Niger Delta is generously endowed with

numerous resources so much that the substance and survival of the Nigerian State is dependent on the national resources in this region. The Niger Delta, both at domestic and international levels, is a subject of national and international political interest and manipulations.

In recent years, resources from the Niger Delta region accounted for about 80-90% of Nigeria's total earnings in oil and gas exported from the Niger Delta region of Nigeria and it is sustaining technological and industrial developments in many developing and developed Nations and Countries. Niger delta has resulted in a lot of financial gains to Nigerian state because oil revenue accounted for 80-90% of annual revenue to the federal government.

**Niger Delta Crises:** This refers to the various abnormal conditions witnessed in the Niger Delta region as a result of their grievances for the prolong neglect of their area from the government and the multinational companies operation in their area. The situation has resulted to violence, kidnappings, cry of marginalization, and agitation for resource control, hostage taking, capital flight and social unrest.

**Marginalization:** The people of the Niger Delta region have always been vociferous in expressing their dissatisfaction over the neglect of their region. This neglect of their region have often time necessitated their public outcry of marginalization.

**Resource Control:** This refers to the agitation by some disgruntled people of the Niger Delta region. This necessitated them to demand for control of the resources in their milieu or rather to have a greater shear from the resources explorations in the Niger Delta region.

#### **Research Procedure**

The method applied in this study is the survey research design. Survey researches employ the distribution of questionnaires in gathering responses from respondents and in this study questionnaire were distributed to respondents. Secondary sources were also employed as the method of data collection for this study. One thousand two hundred respondents were selected from the entire population of the three states which constitutes the area of our study. The three states consist of Bayelsa, Rivers and Delta states. The purposive sampling technique was adopted for this enabled the researcher to elicit data from respondents which have in-depth knowledge of the problems as regards to the Niger Delta; means and standard deviations were used to analyze the data gathered through the questionnaires. A bench mark of 2.5 was used in this study therefore means scores of items below the bench mark were rejected while means scores of items above the bench mark were accepted.

#### **The Causes of Crises in the Niger Delta**

##### **Communal Marginalization**

The dominance of one community by another in decision making process has affected the oil producing communities and has been a source of long-standing historical conflict. Communal marginalizations which include political dominance, ethnic conflicts social conflicts, religious conflicts and differences have affected the region negatively. Nonetheless, the issue of political dominance of one group by another in the struggle over



resource exploitation, especially among the Eleme, Okrika and the Adoni people in Rivers State is another factor responsible for Niger Delta crises. Over time, ethnic conflicts have transcended these concrete historical causes and have taken on a life of their own. Citing Bread and Molone, Faleti (2006:49), asserts that social conflicts are generated by many factors, some of which are deep seated. "These may include greed and feelings of injustice". It is also noted that "while the prospect of pecuniary gain is seldom the principal incentive for rebellion, it can become for some insurgent groups, a preferred state of affair". Conflict can also result from ideological, racial or even religious (value) differences.

### **Agitation for Resource Control**

It is an established fact that, whereas the competition for natural resources can lead to conflicts of global proportions, it is even more so with oil. Some countries would intervene in the issue of oil in another country to ensure steady supply for their industrial needs (Fagan, 2002). It is even predicted that Nigeria's oil output will double by 2020 and that Africa's share of U.S oil import could move up to 25 percent by 2015. How has the peaceful Niger Delta of yesterday descended into a crisis of this enormous dimension today? As a result of the poor response by the government to the demands of the people, the communities in Niger Delta are more angered and bittered than ever before. The frustration arising from the neglect and unfulfilled promises is finding expression in the spiral of violence so conspicuously prevalent.

### **Neglect of the Region**

Niger Delta has resulted in a lot of financial gains to Nigerian state because oil revenue accounted for 80-90% of annual revenue to the federal government. Onuoha (2008) stated that the Niger Delta enormous crude oil resources have been the major attraction for the transnational corporation and extractive communities in Nigeria. Yet little or nothing is left behind to alleviate the suffering of the people of this region from whose land the bank account of multinational companies abroad and the treasury of the federation are swelling (Basina, 2001) in Oguonu (2007:3). Niger Delta region gives Nigeria over 35 billion barrels of proven oil reserves besides an even larger deposit of gas (Courson, 2009:131, Enyila & Ukpo 2006). Yet there is high level of poverty and absence of social amenities in the region.

### **National Security**

Gbanite (2001) states that as ugly, beautiful, interesting or uninteresting the issue of security may appear, I hoped it should arouse some interest in the right quarters. Gbanite (2001) quoting the American Heritage Dictionary of the English Language defined "security" as "safety, confidence, anything that gives or assures safety-secure, free from danger, free from fear or doubt, not likely to fail or give way, stable, assured, and certain." Agalamanyi, (2008) defined National Security in a broad sense to mean the absence of threat to life, property, and socio-economic well being of the people.

Security means (1) freedom from risk or danger; safety. (2) Freedom from doubt, anxiety, or fear, confidence. (3) Something that gives or assures safety.

Nnoli (2006:6) posits that national security is a cherished value associated with the physical safety of individuals, groups or nation-states, together with a similar safety for their other most cherished value. He went on to posit that security in an objective sense can be measured by the absence of threat, anxiety or danger. It equally has a subjective sense, which can be measured by the absence of fear, threat, anxiety or danger. In other words, it is a value associated with confidence in physical safety and other most cherished values. National security as used in this paper refers to the capacity of a state to promote the pursuit and realization of the fundamental needs and vital interests of its citizens and society, and to protect such from threats which may be economic, social environmental, political, military or epidemiological in nature (Onuoha, 2008:265). National Security is assembling of two key elements; human security and physical/state security.

National Security entails a condition in which citizens of a country enjoy a free, peaceful environment and have access to resources which will enable them to enjoy the basic necessities of life (Enahoro, 2004). The security of a state directly translates to its ability to protect its citizens, as well as national assets, from both internal and external threats. In a state where there is adequate security, it facilitates individuals and groups in carrying out their legitimate businesses without any significant undue hindrance. A nation's security may be undermined by either external or internal conflicts or violence resulting from social, political, religious and economic misunderstandings within it.

National Security as a more specific term implies the absence of threat to life, property and socio-economic well being of a nation and its people (Sanusi, 2009). National Security according to Imobigbe, (1990:224) is described as freedom from danger, or from threat to a nation's ability to protect and defend itself, promote its cherished values and legitimate interests, and enhance the well being of its people.

Looking at these definitions of security and national security, one will identify two broad perspectives. First there is the traditional perspective in which national security is perceived as the state of military preparedness to defend a country against external threats. Second, there is the more recent and broader conceptualization of national security which encompasses, besides the state of military preparedness, such other dimensions as political security, economic security, social security and environmental security which impact on the quality of life or well being of the population.

### **How Insecurity in the Niger Delta Region Has Affected Nigerians' National development**

Whatever position we adopt, one fact is clear; the crisis has had major implications for development and socio-cultural relations in the Niger Delta in particular and in Nigeria as a whole. As a general principle, it is a fact that development and crisis cannot go hand in hand. This means that the generalized crisis in the Niger Delta has severe negative

implications for the development of the area and Nigeria as a whole. More specifically, we can also observe the following development and socio-cultural consequences.

- Crisis in the region has fractured relations within and between communities and various social groups in the Niger Delta.

- Crisis in the region has fractured relations between the communities in the Niger Delta and the Nigerian state.

- Crisis in the region has fractured relations between the communities in the Niger Delta and the oil companies.

- Crisis in the region has affected jobs and job creation in the Niger Delta as oil companies withdraw from areas of operation and shut down production activities and new businesses consider the area one of high risk.

- Crisis in the region has affected the safety of oil workers, members of their families and areas of work activities.

- Crisis in the region has resulted in huge revenue losses for the country (shut down of production activities, vandalism and damage of oil facilities, bunkering, etc)

- Crisis in the region has been used to sponsor other types of crises, especially at the political level where as the Truth and Reconciliation Commission in Rivers State has shown, politicians hide under the general crises in the Niger Delta to settle personal scores

- Crisis in the region has also affected the image of the people of the area; (they are seen as crisis and conflict prone).

In effect, the Nigerian state, the oil companies, communities in the Niger Delta and the international community have all been affected by the crises.

### **Some Measures Employed to Resolve the Niger Delta Conflict Since Independence**

In recognition of the place of Niger Delta conflict as key impediment to Nigeria economic transformation, government has taken some strategic steps to address the conflict. These steps include the establishment of the following:

- The Niger Delta development Board (NDDDB) in 1962.
- The Niger Delta Basin and Rural Development Authority (NDBRDA) in 1976.
- The oil Mineral Producing Area Development Commission (OMPADEC) in 1989.
- The 13% derivation principle in the 1999 constitution.
- The Niger Delta Development Commission (NDDC) in 2000
- The ministry of Niger Delta affairs in 2008.
- The Late President Umaru Musa Yar' Adua amnesty programme in 2009.

These measures were intended to resolve the problems of the Niger Delta struggle, but to some extent has failed to realize their core mandate of promoting rapid development of the Niger Delta region due partly to lack of institutional mechanism, structures and systematic deficiencies especially as the necessary political will was lacking on the part of government at the national, regional, and local levels. The Niger Delta regional master plan has not been implemented despite the claim that several trillions of naira had been expended in the region. The last strategic step employed by the Nigerian government was the institution of the Niger Delta Amnesty Programme in 2009 by Late President Umaru

Musa Yar' Adua. The aim of the amnesty programme was to disarm, rehabilitate and re-integrate militants into their communities with a promise to tackle head on, the challenges facing the region. The programme is on course. However, whether the amnesty package is capable of bringing to an end the age long Niger delta conflict or not is left open for debate now. The long neglected Niger Delta region remains a catastrophe of some sort in the term of the degradation of the ecosystem.

### Findings and Discussion of Findings

The focus of this is mainly on data presentation and analysis.

#### Research Question 1

What are the remote and immediate causes of the crises in the Niger Delta?

**Table 1** Showing the mean and standard deviation of the causes of crises in the Niger Delta

| S/NO | ITEMS   | SA  | A   | SD  | D   | $\bar{X}$ | SD   | DECISION |
|------|---|-----|-----|-----|-----|-----------|------|----------|
| 1.   | Resources alienation.   | 600 | 450 | 100 | 50  | 3.33      | 1.8  | Accepted |
| 2.   | The people of Niger Delta are not alienated from their resources.                     | 50  | 150 | 570 | 430 | 1.85      | 1.36 | Rejected |
| 3.   | Political and economic marginalization  | 700 | 300 | 150 | 50  | 3.37      | 1.8  | Accepted |
| 4.   | Many people lost their lives in Niger Delta crises                                    | 800 | 300 | 70  | 30  | 3.55      | 1.8  | Accepted |
| 5.   | Federal government failed to give due consideration to the request of the Niger Delta | 400 | 650 | 150 | 00  | 3.2       | 1.7  | Accepted |
| 6.   | Unemployment of the citizens of Niger Delta in their region.                          | 750 | 350 | 70  | 30  | 3.5       | 1.8  | Accepted |

**Source:** Field Survey

From the analysis of table one above, the respondents are in agreement with items 1,3,4,5 and 6, with mean scores of 3.33, 1.85, 3.37, 3.55 and 3.32 and 3.5, while they disagree with item 2 with the mean of 1.85 less than the bench mark of 2.5. It then follows that resource alienation, political and economic marginalization, killing, neglect and unemployment are the remote and immediate causes of crises in the Niger Delta. This is because the area has not witnessed social amenities in their area, such as pipe-borne water supply, electricity supply, good network of roads, market. The people have been alienated from the enjoyment of these social amenities. Furthermore, the multinational corporations exploring crude oil in the area are not helping matters because they have underperformed in their social responsibility.

Question: To what extent do crises in the Niger Delta affect national development?

**Table 2** Showing the mean and standard deviation of the respondents on the extent crises in the Niger Delta affect national development in the region.

| S/NO | ITEMS  | SA  | A   | SD  | D   | $\bar{X}$ | SD   | DECISION |
|------|--|-----|-----|-----|-----|-----------|------|----------|
| 7.   | Crises have underdeveloped Niger Delta State.  | 580 | 420 | 30  | 70  | 3.09      | 1.75 | Accepted |
| 8.   | National development of the country is affected by the crises in the Niger Delta.                  | 500 | 400 | 150 | 150 | 3.04      | 1.77 | Accepted |
| 9.   | Despite the crises, Niger Delta States are developed.  | 50  | 100 | 450 | 600 | 1.66      | 1.29 | Rejected |
| 10.  | Investors in the Niger Delta withdrew from investing in the region during crises.                  | 380 | 600 | 200 | 20  | 3.11      | 1.76 | Accepted |
| 11.  | International reputation of Nigeria as a result of the crises in the (Niger Delta) can be reduced. | 700 | 280 | 170 | 50  | 3.35      | 1.83 | Accepted |
| 12.  | Crises in the Niger Delta region deplete the foreign   | 250 | 800 | 80  | 70  | 3.02      | 1.73 | Accepted |

|  |                          |  |  |  |  |  |  |  |
|--|--------------------------|--|--|--|--|--|--|--|
|  | reserves of the country. |  |  |  |  |  |  |  |
|--|--------------------------|--|--|--|--|--|--|--|

**Source:** Field Survey

Question: Do the crises in the Niger Delta have implications for national security?

**Table 3:** Showing the mean and standard deviation of the opinion of respondents on the implications of the crises to national security.

| S/NO | ITEMS  | SA  | A   | SD  | D   | $\bar{X}$ | SD  | DECISION |
|------|--|-----|-----|-----|-----|-----------|-----|----------|
| 13.  | National security is affected at the micro level because of crises in the Niger Delta. | 670 | 420 | 10  | 10  | 3.38      | 1.8 | Accepted |
| 14.  | The security of the citizens in Niger Delta is not considered by Federal Government.   | 700 | 300 | 50  | 150 | 3.29      | 1.8 | Accepted |
| 15.  | Crises in the Niger Delta only affected the macro-level of national security.          | 00  | 100 | 600 | 500 | 1.66      | 1.2 | Rejected |
| 16.  | The welfare of citizens of Niger Delta is not a security threat to the state.          | 690 | 310 | 120 | 80  | 3.34      | 1.8 | Accepted |
| 17.  | Welfare of the citizens of Niger Delta poses security risk to the state.               | 570 | 430 | 170 | 30  | 3.28      | 1.8 | Accepted |

**Source:** Field Survey

Question: What steps should be taken to resolve the Niger Delta crises?

**Table 4** Showing the mean and standard deviation analysis of the influence of the provision of social amenities and employment to the solution of Niger Delta crises.

| S/N<br>O | ITEMS  | SA  | A   | SD  | D   | $\bar{X}$ | SD   | DECISION |
|----------|--|-----|-----|-----|-----|-----------|------|----------|
| 18.      | Provision of employment can reduce crises in the Niger Delta.                              | 700 | 200 | 150 | 150 | 3.20      | 1.7  | Accepted |
| 19.      | Employment of the citizens of Niger Delta generates' further tension.                      | 100 | 100 | 380 | 620 | 1.73      | 1.31 | Rejected |
| 20.      | Non-provision of social amenities is one of the major causes of crises in the Niger Delta. | 350 | 830 | 20  | 00  | 3.27      | 1.8  | Accepted |
| 21.      | Empowerment is an antidote to peace in the Niger Delta.                                    | 690 | 400 | 100 | 10  | 3.47      | 1.86 | Accepted |
| 22.      | Employment provision is a solution to Niger Delta crises.                                  | 200 | 20  | 430 | 550 | 1.89      | 1.37 | Rejected |

**Source:** Field Survey

### Discussions of Finding.

From the analyzed data in table 1, the people of the Niger Delta had some grievances among the ethnic groups which went unchecked and metamorphosed into crises. Out of 6 items that were posed to answer the research question 1, only one item has a mean below 2.5.

In support of the above, Goldstein (2001:220) holds that potentials are not in themselves instigators of crises but the potential may really happen if one or more of such groups feel marginalized or exploited. He went further to say that disparity is an ever-present danger and this partly demonstrates the situation in the Niger Delta.

From the analyzed data, all the items have a mean score above 2.5 except item 1 that has a mean below 2.5. All the respondents are of the view that crises affect national development of any nation that is prone to crises.

Table III, answers research question three and the finding that crises in the Niger Delta have implications for National Security which is supported by five items with a mean score response above 2.5 which is taken for acceptance level, while one item has a mean score below 2.5 which indicates a rejection. Based on the findings, a continuous fear of the unknown creates problems of insecurity, especially in the Niger Delta region. National Security which excludes the welfare of the citizens of a state can be a security threat to the state. Gurr (1994:122) is in agreement with the above statement that poor countries feel marginalized if their welfare is not considered by the state and if competition for power and resources is in zero sum terms. Dokubo (2006:11) opined that the Niger Delta insecurity is as a result of frustration arising from the neglect and unfulfilled promises which find expression in the spiral violence that is prevalent in the region.

Mbeke-Ekanem (2000:16) maintains that not providing your host community with security is best described as fighting war with one's self.

The last but not the least finding from table IV shows that five items have mean scores from 2.5 and above, while one item has a mean score below 2.5, and the item was rejected on a four-point likert scale.

The finding that the provision of employment, youths' empowerment and provision of social amenities can help to reduce or checkmate crises in the Niger Delta, is a step in the right direction. If these provisions are made, the region will experience a crises free in their polity and environment. This bold step by the federal government in paying 65,000 to ex-militants in a month, and provision of skills to enable them fit into the society is a welcomed idea and a positive step towards conflict or crises resolution.

This study also discovered from some persons we interviewed that some traditional leaders are given money by the government to develop their area but their failure to utilize such money has kept their area perpetually rural-like or rural in nature.

## **Conclusion**

The multi-faceted nature of the Niger Delta problem indicates that a one-track solution cannot produce desired results. For instance, it is easy to say that because we want to solve the problems of the infrastructural backwardness of the region, we should just move in with structures. Wahah (2007) noted that any solution must address the root of the crises which he calls the "National Question". In as much as I align myself with this view, one needs to note that the call for fiscal federalism will put a lot of money in the hands of the Niger Delta States, but would it translate into adequate welfare for the citizens? maybe, maybe not. Somebody has asked the question of what has been done with the enormous resources that have so far come the way of the oil-producing states? The question has not been answered more than two years after it was posited. Instead of an



answer the questioner was asked to mind his business. If resource control would not be effectively managed like cocoa's transformation of the old Western Region, we may be planting time bombs of a different nature. "The Niger Delta Human Development Report" noted in its overview that the Niger Delta, today, is a place of frustrated expectation and deep rooted mistrust and that, while turmoil is pre-eminent, the underlying cause is the historical failure of governance at all levels.

As noted earlier, for several of these solutions to work, they have to be taken together; we must also bear in mind the many facets of the problem. Therefore, this option becomes workable only if illegal bunkering, kidnapping and such other common criminal activities are brought to an end. But how can these be achieved when the security forces like corrupt political leaders are still in power.

### **Recommendations**

1 The Federal Government should develop the Niger Delta area by providing social amenities in the area. To ensure this, adequate care should be taken at monitoring and evaluating development projects and programmes. Monitoring by the government on the basis of expenditure of the money given by the government to the contractors or leaders of the Niger delta should be taken serious

2 The Federal Government should, re-enforce the N.D.D.C, to ensure the provision of some social economic developmental infrastructure for the people of Niger Delta Region, create employment opportunities for young school leavers as well.

3 Dialogue should be employed as a means to resolve crises, as crisis does no one any good. The leaders should at all time advocate for peace, and never to motivate their subjects to carry arms, resort to violence, pipe-line vandalization, and kidnapping.

4 Employment opportunities should be provided to the youths of the Niger Delta, furthermore the various Multinational companies operating in the area should be mandated to fulfill their social responsibility by discharging some functions to the people which may include scholarship schemes, human capital development and infrastructures.

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# AN ANALYSIS OF THE CONTRIBUTION OF NON-OIL SECTOR TO NIGERIA NATIONAL DEVELOPMENT

BY

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## **Abstract**

*This study, examined the contribution of non-oil sector to Nigeria's National Development. It x-rayed why Nigeria has not developed despite the huge amount of money accruing from oil and gas exploration; verified if oil is actually a blessing or a curse to Nigeria and Nigerians; identified non oil sectors in Nigeria and highlighted potentialities National Development. We adopted exploratory method through which official documents were accessed, collected and analyzed systematically using content analysis. Our theoretical framework was sustainable development theory while we hypothesized as follows; Oil has lured Nigeria into a quagmire from which the country cannot get out without bleeding; that non oil sectors are indispensable and more dependable in Nigeria's national development. The study made some recommendation based on the findings, the study made far reaching recommendations which if implemented Nigeria will no longer be a mono-economy.*

**Keywords:** Analysis; contribution; non-oil sector; Nigeria, National Development.

## **1.0 Introduction**

Oil, short and audacious three letters but with such telling powers that no man can act without worrying about how the almighty oil will react. As Giwa (1985) noted, oil is an arrogant commodity. See the power that oil has conferred on Saudi Arabia, a Kingdom, if without oil that could have been feeding on sand' and crying for alms like poor and drought-stricken Ethiopia. But God has chosen to smile on the desert kingdom by giving it more oil than it knows what to do with. Its potentates can afford to wrap themselves in rich silk and Kashmir, going around the world and buying up the whole place. That is the power of oil. Some people like its smell. It has an aromatic effect on some while, it makes others literally sick. It is like speed drugs-cocaine and heroine-to name quite a few; see what this did to the Shah of Iran. Its effect on him was hallucinatory and alcoholic, a dangerous mixture, that the man started to feel like the good God Himself.

Oil undisputedly, is an important product and commodity (Enyimal and Ukpo 2006). From available evidence, it is required every where in the world. More importantly, it makes life easy (Kupolokun, 2004). It powers all those human devices that enhance the comfort of man quite agreed. The big questions now are: why has 58 years of oil exploration (1956 being the year oil was struck in Olobiri) and 53 years of oil export (17<sup>th</sup> February 1958 being the year oil was first exported) not transformed Nigeria into an

industrial giant? Why has its massive oil wealth not banished mass poverty among its citizens? Why does the world 14<sup>th</sup> largest oil producing country still import fuel and petrochemicals? Why is it that economy of over 150 million people and Organization of Petroleum Exporting Countries (OPEC's) sixth largest oil producer has only four refineries (that are not even functioning well)? Why is it that Nigeria is the only country where the oil-producing communities lack infrastructure, schools, health care, facilities and employment (Chukwuma 2006)? Why is it that our leaders in the seat of power are making Nigerians and indeed the world asks whether the black gold is a curse or a blessing?

### **Statement of Problem**

It is a bleeding shame, a disheartening fact and highly disturbing according to Nosa Igebor the Editor-in-chief of Tell Magazine that the black gold has fetched the country over 950 billion Dollars in the last 58 years, yet Nigerians remain poor. As Christian (2006) noted, every where in Nigeria poverty is suffocating despite the massive revenue accruing from oil. For the fact that majority of Nigerians are wallowing in abject poverty and neglect is a frightening metaphor. What Nigerians may become after oil is gone is a matter of serious concern. Some are afraid that by the time the oil well dry up Nigeria would probably become a beggar and a debtor nation since her economy has been driven by the single product for many years. (See for instance Ikejiani-Clark (2007), Kwashie (2005), Nnamani and Eboh (2011) and Onuoha 2008 among others).

It is an attempt to avoid such situation and in recognition that all the other resources that could even make the nation richer have been neglected coupled with our country's challenges in delivering of critical infrastructure which has continued to impact negatively on our economy, investment and capital inflow into the country, that the present administration has decided to invest massively on non-oil sector as an effective strategy for national development.

Arising from the foregoing, the questions that this study raise are:

1. Why has Nigeria not developed despite the huge amount of money accruing from oil and gas exploration
2. Is oil actually a blessing or a curse to Nigeria's National development?
3. What are the contributions of these non-oil sectors to our National Development?

### **Objectives of the Study**

The cardinal objective of this study is to ascertain the contributions of non-oil sector to our nation's economy. Secondly, to verify if oil is a curse or blessing to Nigeria's economy.

### **Research Methodology**

The research is an exploratory research. Consequently, exploratory methods were adopted. In using the method, relevant official documents were accessed, collected and analyzed

systematically using content analysis. The information obtained was used as a check on the data obtained from other methods of data generation.

### **Hypotheses**

1. Oil has lured Nigeria into a quagmire from which the country cannot get out without bleeding.
2. Non-oil sectors are indispensable in Nigeria due to its significant contributions to her national development.

### **Theoretical Framework**

The study adopts Sustainable Development Theory (SDT). Sustainable development has broad definitions, and different perspectives. Sustainability is a dynamic concept. Bossel (1999:4) argues that:

Societies and their environments change, technologies and cultures change, values and aspirations change, and a sustainable society must allow and sustain such change that it must allow continuous, viable and vigorous (sustainable) development, which is what we mean by sustainable development.

Bossel (1994) added that sustainable development of human has environmental, material, ecological, social, economic, legal, cultural, political and psychological dimensions that require attention.

Before the popularization of the theory by Brundtland Commission (1987), the modern emphasis on sustainable utilization of natural resources was traced by O'Riordan (1988) to a series of African based conferences in the 1960s, and discussions on the World Environment Conference in Stockholm in 1972. Although, it was the World conservative strategy that first brought the concept-sustainable development into focus IUCN (1988) in Goodey, (2008:15). It was the 1992 United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, and the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg resolutions that adopted Sustainable Development goals to carry forward a bold green development agenda to 2030 (Uwaegbulam, 2012:56). Earlier on, it was the Brundtland Commission's Report that highlighted the need to simultaneously address developmental and environmental imperatives (Onuoha and Ozor 2010:45 in Anyadike et al (eds.) 2010). Therefore, it is the visionary of the World Commission on Environment and Development chaired by the former Prime Minister of Norway, Gro Brundtland in their "Our Common Future" published in (1981) known as Brundtland Commission that defines sustainable development. It is development that seeks to meet the needs and aspirations of the present without compromising the ability of future generations to meet their own future needs (Bossel 1999; Goddey 2008; World Commission on Environment and development (WCED) 1987 in Abdullahi 2012:95 in Okpaga and Bako (eds.) 2012).it means prosperity that is globally shared and environmental sustainable (Sachs 2008:31). But, without better environment stewardship, development will be undermined and without accelerated development in poor countries

like Nigeria, environmental policies will fail (Onuoha and Ozor, (2010), in Eboh, Ozor, Onuoha and Chukwu (eds.) 2009). In order to fast track development amongst the developing countries like Nigeria, Brundtland (2012) advised the use of science as key to the way forward to achieving a more sustainable planet (Ekah, 2012:21). Regrettably, sub-Saharan countries and other poor developing countries have low scientific and technological capabilities to achieving the technical perspectives of sustainable development.

The tenets of the theory are borrowed from three disciplines of Economics, Ecology, and Sociology (Serageldin and Steer (1994) in Onuoha (2009:45) in Eboh, et al (eds.). According to Onuoha (2009:45) in Eboh, et al (eds) (2009) the sustainable development hub seeks to promote prosperity (economic objectives) through growth, equity, and efficiency in all sectors of development. In its social objectives, it seeks to support a people through empowerment, participation of all stakeholders, social mobility and various institutional developments; while the ecological objectives seek to maintain the planet through improving the state of the ecosystem, biodiversity and conservation in a sustainable manner.

Harris in Okereke (2003:17) had earlier on identified three significant aspects of sustainable development to be as follows:-

- Economic-an economically sustainable system which must be able to produce goods and services on a continuing basis, and maintain manageable levels of government and external debt as well as avoid extreme sectoral imbalances which damage agricultural and industrial production.
- Environment-An environmentally sustainable system must maintain a stable resources base, avoiding over exploitation of renewable resources only to the extent that investment is made adequate substitutes. This includes the maintenance of biodiversity, atmospheric stability and other ecosystem functions not ordinarily classed as economic resources.
- Social- a socially sustainable system must achieve distributional equity, adequate provision of social services including health and education, gender equity and political accountability and participation.

### **Application of the Sustainable Development Theory to the Study**

Sustainable Development Theory acknowledges the primacy of country's policy measures that incorporate the economy, ecology and the people's present and future needs. The magnitude of the adverse of relying on only oil as a major source of income especially among those of the developing countries like Nigeria is getting worrisome. It needs both adaptive and mitigative approaches in order to look beyond oil. This motivated the choice of sustainable development.

The Rio (1992) and Johannesburg (2002) put sustainable development on the map for its application amongst the countries of the world including Nigeria. This is because sustainable development encompasses number of basic political challenges:



democratization, respects for human rights, combating corruption and appropriate resources management. It is a strategy that continues to function indefinitely in its quest of producing more goods and services without endangering the welfare needs of the future generation as it tends to avoid extreme sectoral imbalances that would damage agricultural and industrially sectors. Socially, the tenet would tend to support its people by empowering them with its all inclusive participation of all stakeholders in its socio-economic programmes that endeavour to achieve social mobility and distributional equity and provide adequate social services to its people without jeopardizing the earth planet in the effort to reducing the adverse effects of climate change. Sustainable development tends to improve the ecosystem that conserves the environment in a sustainable manner. This would tend to avoid over exploitation via industrialization or urbanization. That is what the GWASNP and other renewable programme measures are meant to achieve. This would allow continuous, viable and rigorous sustainable environment in Nigeria. From the fore going, the choice of sustainable development theory as theoretical framework for this study is justified and highly relevant.

#### **6.0 Why Oil Has Not Contributed as Excepted to Nigeria Economy.**

As David-West (2013) noted, for the fact that oil is bringing in easy money all the other resources that could even make the nation richer have been neglected. (The source magazine 2013) Since the last 58 years according to Rilwan Lukeman, Former Secretary-General of the Organization of Petroleum Exporting Countries OPEC and one time honourable adviser to late president Umaru Yar'adua on energy, Nigeria has made approximately 650 billion Dollars from oil. Lamentably, this has not impacted positively on the life of the people because more than 70 percent of the population lives below poverty line. The country still contends with problems of poor infrastructures like bad roads, inadequate power and water supply, and poor housing, and high rate of unemployment among others (Tell 2013). As Afinotian and Ojascerotu (2009) noted the Niger Delta area, where the bulk of the nation's wealth comes from is criminally neglected. The indigenes of the region which oils the economic wheel of the country have been contending with problems of environmental degradation, acute deprivation, hunger and grinding poverty. Their land is despoiled that they can no longer farm; their rivers are polluted thus they can no longer fish and noxious fumes compete for space in the air they breath thus making the area a heaven for all manner of aliment. This situations according to Orotu Daglas have led many of them to take up arms against a system they consider unjust and oppressive thereby threatening the economic base of the country. The few developmental efforts of several decades ago were not sustained as the country's fortunes plummeted (Etekpe (2007).

According to Maitama Sule First Republic Minister of Mines and Power poor leadership is the bane of the country. He noted that even though there were surmountable challenges confronting the nation, leaders of the First Republic were more committed and dedicated. He stressed that the military intervention scuttled the dream of the nation and

set the hands of the clock backwards as profligacy and high-scale corruption become state institutions. Unfortunately, according to him, it was during this military regime that some people made huge sums of money and politics become commercialized. The elder statement recalled that “in those days (Prior to the military era) people went into politics to serve and not to be served, to give and not to take”.

Asiodu (1993) opined that Nigeria’s oil resources, if well managed will enable this country to play a much greater role in promoting regional integration in West Africa. Giwa (1986) had earlier argued that a major problem of Nigeria’s experience with her oil is that of inadequate political consensus on which should be the proper attitude of the government towards the oil companies particularly regarding government participation in the oil companies as well as making it possible for private indigenous interest to participate in the oil companies.

Okowa (1991) observed that the question of maximizing our returns from oil at any given time was and remains a very important and complicated one. The failure to appreciate the complexities and the relative position in Nigeria has led to many false and disruptive attitudes.

Onuoha (2008) is of the view that part of Nigeria’s problem with oil business is attributed to the intellectual context in which our oil policy is conducted. There was no informed debate in academic or other circles about the pros and cons of exploitation of non-oil sector in national development Oshomole (2011) stressed that Nigeria economists and marketing experts could have helped with objectives and disinterested analysis of the element involved in searching for non-oil sector as an indispensable factor in national development. Oil policy formulation and the administration of our oil matters suffered from the failure of the government to achieve political consensus within itself about the ideological setting by defining public and private sector roles.

The rising insecurity of life and property in this county; the dwindling economic fortunes of the people; the high rate of unemployment; the crises in the Niger Delta region; the kidnapping and the most recent Boko Haram insurgency were all cited as some of the major fallouts of bad leadership. Similarly Tam David-West former minister of Petroleum who served under the regime of Ibrahim Babangida said lack of “responsive and responsible leadership” had denied the country of economic prosperity now enjoined by other oil-producing nations. He said it was instructive that even though oil is under the control of the royal families in Saudi Arabia and the gulf states of the United Arab Emirates, visionary and committed leadership had transformed those countries into modern societies. “Nigeria is the only oil-producing country in the world where illegal oil bunkering and smuggling is an issue (Ngwoke and Numodnde (2011)). Nigeria is an oil-producing country with over 150 million people, yet it has only four refineries, whereas Singapore which does not have crude oil and has far less population has more than five refineries, not to tack of China that has over a 100 refineries”. It all boils down to having a responsive and responsible leadership (Achebe, 1993).

Asari Dokubo leader of the Niger Delta People Solidarity Front thinks that leadership at the federal level has been “irresponsible and evil” He said there was no political will at the federal level to address the problems in a holistic and committed way. According to him, “our leaders don’t care about what is happening to the people of the Niger Delta. They are not bothered if people are dying as long as they are comfortable in Abuja. According to him Niger Delta is synonymous with “old woman that has been abandoned by her male associates because her beauty has faded” (Tell, 2013). In fact, corruption and bad leadership are responsible for inability of the nation to enjoy their oil wealth. We need leaders who can be responsible to the people, leaders who will be committed to their people (The source magazine 2013).

### **Is Oil a Blessing or A Curse to Nigeria Economy?**

Among scholars, captains of industry, core investors and stake holders in Nigeria Economy, there are different views on the true position of oil to Nigeria economy. Some scholars like Asiodu (1993) Muo (2011) Onyeji and Ezema (2000) Agbode (2002) Oviasuyi and Uwadiae (2010) Onuoha (2008) Igbokwe (2011) Afinotan and Ojakonotu (2009) among others were of the view that oil is a blessing to Nigeria economy. Asiodu (1993) for instance, argued that oil is the primary source of revenues for the country, contributing as it does, about 80% of the total revenues to the federal and state governments. He noted further that it is the primary source of financing the tremendous development and modernization that the nation has been witnessing since independence.

Agbode (2009) in complete agreement with the above view postulated that the strategic position of oil in Nigerian economy made articulate policy formulation, technocratic management and rational foreign policy possible. These scholars were of the view that oil made Nigeria major actor in the north/south dialogue for a new international economic order. The above scholars were of the view that the exploitation of oil resources has opened for Nigeria a tremendous programme of infrastructural expansion and improvement in the productive sectors while enhancing more development in this country. These scholars further argued that Nigeria depends on oil revenue for over 90 percent of her foreign exchange earnings. They further noted that every development plan in Nigeria has been executed through the fund from oil, arguing that the fly over in Lagos; the Festac Village; road net works in our major cities; improvement in educational sector and other uncountable development projects in this country was through oil sales. Even the prosecution of Nigeria-Biafra civil war was made possible through the sales from oil and that is why they feel that oil is a blessing to Nigeria and Nigerians. They concluded that the assertion that oil has done little to us is politically dangerous judging by economic and developmental yardsticks.

There is a school of thought that believes that oil is a curse rather than a blessing to Nigeria economy. Scholars in this group include Giwa (1986), Ezugwu (2009), Adeyemo and Adeyemi (2008), Nwogbo (2011), Hertz (2004) and Lanbao (1987) among others. Giwa (1986) for instance, X-rayed the damage oil has done to Nigeria. According to him before oil was lifted in this country in 1958, Nigeria lived in order and planned with a cool

head. The farmers tended their cocoa and oil palm plantations and cotton and groundnut farms. Everybody was happy and those who were wealthy knew they were wealthy because they worked hard. Then oil came and everything went haywire. The farmers left the farms and the youth came to town. Nobody wanted to touch dirt and carry baskets of cocoa and groundnuts and palm kernels on his head. Why? Come to the city and live the easy life. Life was too easy, and nobody waited long enough to ponder the question of where oil was leading the nation. Oil made everything possible including the Nigerian civil war. Infact, it was the aroma of oil money that made Gowon to declare that the problem of Nigeria is not money but what to do with it. Oil was in such abundance that Gowon felt that governing Nigeria was easy. As Naser and Selassie could do it he taught, why not him? If problems arose, throw money at them, set up Udoji commission, dole out money to all and sundry and live happily even after. But things didn't quite turn out that way. For not quite long oil began to make life uncertain for Nigeria. Most of our leaders got so used to spending money that they didn't know when they finished what was in the kitty and then started borrowing from home and abroad. By the time some of them left office, we became a beggar and a debtor nation and the country is now suffering for it.

As a result of the above scenarios, according to them Oil is seen as a curse rather than a blessing to Nigeria economy. This is because leaders instead of using oil money to better the masses have been interested in their own comfort and the comfort of their families. They have not judiciously utilized oil money rather they are using it to display provocative wealth. A classical example is Dan Etete a former minister of Petroleum who bought two Lions (male and female) for his personal security instead of dogs that Nigerians use as a security measure. As Tam David West noted, authorities at the three tiers of government in the country do not make use of oil and gas to develop the economy and the people of the country. This has resulted in story of rising expectation that is now resulting in rising frustration.

### **An Analysis of the Contributions of Non – Oil Sectors to Nigeria's National Development**

Sam Oluwabunwa, President Nigerian Economic Summit Group (NESG) seems to have predicted the indispensable role the non-oil sectors are playing in Nigeria's Economy when he posited that authorities should address a situation whereby the oil sector which should be the main driver of the economy makes minimal contributions to the country's gross domestic product. The easy money that oil gives has led to neglect of non-oil sector and this has resulted in enormous infrastructural challenges, the unattractive business environment, the high crime rate and the import – dependent culture of the Nigerian society. Oil is not renewable resource and as such, Nigeria must not go into extinction when the oil is no more, hence the need to venture into non-oil sector revenue generation as a veritable instrument for national development has become a development out of extreme necessity. As Sam Aluko, renowned economist argued that even though Nigeria is a mono-economy, with oil accounting for about 90 percent of its export

earnings, the country is said to have potential for alternative sources of revenue which could be developed for the benefit of the nation. (Aluko, 2009).

According to President Goodluck Jonathan, in his mid-term Report, the Real GDP growth largely driven by non-oil activities averaged 10 percent in 2011- 2012. According to him, the GDP growth rate stood at 6.56 percent at end of the first quarter of 2013. The nominal GDP grew from \$166.53 billion in 2009 to \$243,99 billion and \$257.42 billion in 2011 and 2012 respectively. As President Jonathan's report added, the country earned an improved global GDP ranking from 44<sup>th</sup> position in 2010 to 30<sup>th</sup> in 2012 due to revenue from non-oil sector (Tell, 2013).

During President Jonathan's mid term report, the agricultural sector (a viable non-oil sector) continued its dominance in the economy with its contributions to the GDP averaging 40 percent during 2011-2012. Our investigation reveals that agriculture currently employs about two- thirds of the entire labour force and has sustained its position as the highest contributor to non-oil Gross domestic product contributing 47.17 and 49.16 percent in 2011 and 2012 respectively. The implementation of the Agriculture Transformation Agenda according to the report has accelerated performance in the sector through the value chain development initiatives (FGN, 2013).

An investor, Alhaji Abudlrahman Rafindads; sees Trade and Commerce as another non-oil revenue generation source According to him, it has experienced improvement in the global competitiveness ranking 12 points to 115/144 countries in 2012 as well as reduction in the transit of goods within the ECOWAS sub-region through the implementation of the Sea Link Coastal Ferry Services Project among others. The country has attained the position of an exporter of cement instead of a net importer due to the massive investment in the sector especially by the Dangote group who built \$2.2 billion Western Metal Product Companies (WEMPCO) Ltd complex at Ibafo Ogun State (The source Magazine 2013).

Another non oil sector revenue generation source that is making massive contributions to national development is the solid mineral. The solid mineral sector's contribution to GDP according to statistics from CBN in 2013, averaged 0.37 percent between 2011 and 2012 while the water sector witnessed a resurgence of activities. In this regard several abandoned dam projects are being re-activated for the supply of buckwater to treatment plants; generation of hydro electricity; provision of water for irrigation; farming and fisheries to boost food security. Infact, in 2012, 10 irrigation projects were deployed for crop production and the size of irrigated land increased from 90, 000 2011 to 175, 000 hectares in 2012.

The culture, tourism and entertainment sector has also made considerable impact in revenue generation especially in the areas of entertainment-films and music. The pace of growth in the transportation sector improved slightly from 6.71percent in 2010 to 7.12 percent in 2012. In terms of contributions to GDP growth, transportation accounted for 2.67 percent and 3.16 percent in 2010 and 2012 respectively. In recognition of the impact rail transport plays in a nation's economy, especially in a country like China, Nigeria

government articulated a 25 years strategic vision for the rail sector embarked on five flagship national road network projects and developed an Inland Water ways Transport Master plan (IWTM) for the country. Equally there was Rehabilitation of the main Rail lines (moribund for 15 years); procurement of 25 new locomotives from General Electric (GE); refurbishment of over 200 coaches and wagons; investment incentive MOU with General Electric to develop a multi modal Locomotive Assembly Facility in Nigeria to handle an initial 200 locomotives over 10 years. The resultant effect on government's intervention in railway is that the number of passengers carried by rail has risen significantly from about 1 million in 2009 to about 4.2million in 2012. This no doubt is an increase in revenue yielding effort.

According to Okonjo Iwuala, arrant finance minister, the government is currently remodeling four strategic international airports in Abuja, Kano, Lagos and Port Harcourt as well as developing perishable cargo operational framework all aimed at sourcing more revenue from non-oil sector. The government in bid to generate more revenue from non-oil sector has equally ventured into effective environmental management. To this end the environmental sector has witnessed improvement in the areas of the development of National Green House Gas Inventory System and Purchases of Green gas measurement equipment. According to Okonjo-Iwuala (2013) others are the establishment of 1500km Great Green Wall Initiative to check desertification in the frontline states, the establishment of procedure for the Clean Development Mechanism (CDM) and the Generation of 20 CDM projects in 2012 among others (the source magazine, 2013).

Still on revenue drive from non oil sector, the government decided to revitalize electricity sector. There was a sustained implementation of roadmap on power leading to the privatization of the generation and distribution aspect of the power sector. According to Labaran Maku, Hon. Minister of information, in particular, full payment of the bid price for the generational distribution companies have been made by the preferred bidders and the various power companies and the Federal Government has transferred them to these new owners. Equally management contract for the management or the Transmission Company of Nigeria (TCN) was granted to a private sector operation in September 2012 all aimed at netting more revenue from non-oil sector (the source magazine, 2013).

Another viable non-oil sector revenue generating source is customs and ports. The administration of President Goodluck Jonathans government in bid to generate reasonable revenue from those revenue spinning sources, strengthened the ports and customs. The custom and ports sectors are now generating massive revenue due to the fact that the government has put a lot of measure to prevent siphoning of the revenue they are generating. The introduction of 100 percent pre-inspection has actually turned out to be a serious revenue yielding venture to the government. Through proper management of Nigeria ports, a lot of revenue is being got from this source. For instance, the government according to Finance Minister Dr. Okojo-Iwuaela has reduced the number of agencies operating in the ports from 14 to 7; Disbanded Nigeria Custom Service taskforce that harass cargo on the highway; make ports to be operating 24-hours for the first-time since

1970 and made clearing time reduced from 39 days to 7 days for trouble free cargo, but their target is 48 hours according to the finance minister (Tell magazine 2013).

The Nigerian capital market witnessed modest growth and development since President Jonathan's drive for generating revenue from non-oil sector. For example the total market capitalization increased significantly from ₦3.68 trillion to ₦14 trillion at end of December 2012 and further to ₦16.41 trillion at end of March 2013. The market capitalization of equities traded on the floor of the exchange jumped to ₦8.98 trillion by end of December 2012 and further to ₦10.73 trillion at the end of March 2013. (The source magazine 2013). On the other hand, the All-share index of listed securities rose from 20,773.98 at the end of 2011 to 28,078.81 at the end of December 2012 indicating a 35.47 percent (SEC, 2013).

The constitution of the Asset Management Corporation of Nigeria (AMCON, and its various roles in riding the banking sector and capital market of toxic asset has given the government a lot of revenue. This along with the reform in the banking system initiated by the Governor of Central Bank Sanusi Lamido brought added advantage to revenue yielding former sources outside oil sector. According to Dr. Ngozi Okonjo-Iwueala, Nigeria's Finance Minister, non-performing loans in Nigeria Banks have fallen to about 5% as at Nov, 2013, (The source magazine, 2003).

## **Conclusion**

From the foregoing, we can understand that the speculation in some quarters that by the time the oil wells dry up, Nigeria would probably become a beggar and a debtor nation since her economy has been driven by the single product for many years holds no water. The prospect of our economy is bright judging from the revenue accruing from non-oil sectors. Hence, if the revenue that are generated from non-oil sector is judiciously utilized is capable of driving industrialization, creating employment tackling infrastructural decay in our country, ensuring accreted development and installation of peace and better society.

Experts believe the nation's economic managers should accept responsibility for not initiating real policies to vigorously diversify the economy with the advent of oil boom. As a result, there is what the economist call disarticulation in the economy and revenue generation: meaning that there are no sufficient linkages between oil and gas sector with the rest of the economy; between the financial sector and small businesses; between consumption and production and between industries and agricultural sector. Blessed with rich natural endowments and a teeming population of about 150 million people, Nigeria is widely acknowledged to have a great potential for development with or without oil. The only problem is the government's attitude of concentrating only on oil and gas. Most Nigerians are by nature entrepreneurs, and highly industrious. For the fact that oil is bringing in easy money, all other resources that could even make the nation richer have been neglected. This should not be so. We must not put all our eggs in one

basket. We must diversify our economy by utilizing appropriately non-oil sector sources of revenue generation if we are to make meaningful development stride.

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# **BUDGET IMPLEMENTATION AND SOCIOECONOMIC DEVELOPMENT IN NIGERIA**

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## **Abstract**

The enunciation of reform measures since the transition to civil rule in 1999 has not entrenched a robust and development-structured budgetary system in Nigeria. In spite of these reforms, national budgets are still structurally defective and do not reflect the expected paradigm shift from a consumption-oriented budget to a productive one. Not surprisingly, the budget is still characterized by low efficiency of public spending, poor implementation as well as the predominance of recurrent votes over capital votes. The implication of this strange and ineffectual handling of budgeting is tragic and portends great danger to Nigeria's developmental prospects. The paper postulates that budgets in Nigeria are characterized by inefficiency and, therefore, cannot catalyze the attainment of the country's socioeconomic development. The paper calls for the adoption of Performance Based Budgeting (PBB) as an innovative approach as well as a replacement for traditional method of budgeting.

**Key words: reforms, budget, spending, socioeconomic, development**

## **Introduction**

The budget is a fiscal policy instrument for realizing developmental proposals. The budget authorizes the allocation of funds to items of expenditure, specifies programmes to be realized, and stipulates the time frame within which the items are to be implemented. Since the inception of democratic rule in Nigeria in 1999, Nigeria has had a long history of budget failures which undermine the execution of public projects and the growth of the economy. Yet the budget is the most important instrument of macroeconomic management and public policy. The budgetary process in Nigeria is characterized by conflicts of interest between the executive and the legislature as well as contradictions in the allocation of scarce financial resources. The combination of these anomalies vitiates the effectiveness of the budget in addressing the country's developmental challenges. Put differently, the budget is seen as a mechanism for sharing the national cake. First, the budgets are not prepared on time. This has a spill-over effect of budgets being presented late to the legislature for approval. Secondly, a large chunk of the budget proposals is on recurrent expenditure which gulps 70% of the budget as against capital expenditure. Tragically, even the paltry capital budget is characterized by low implementation rate which affects adequate provision of infrastructure. In effect, therefore, budgeting in Nigeria has not adequately responded to the challenges of transforming the Nigerian

economy from a rural, agrarian economy to an industrialized and export-led economy, capable of meeting the aspirations of a developed economy by 2020.

According to analysts, a government budget has three major components, size, structure and policy. The budget size is measured by the amount of revenue and expenditure projected for the fiscal year. The difference between the two determines the nature or kind of the budget. When revenue estimates exceed projected expenditure, the budget is said to be in surplus. When it falls short of projected expenditure, the budget is said to be in deficit. A balanced budget occurs when estimated revenue equals estimated expenditure. Each of the above categories of the budget has its drivers, costs and benefits, depending on how it is managed. For instance, there is high tendency for countries with low growth, massive debt burden and high inflationary pressure to be concerned about budget deficit in view of its potentials to destabilize the economy. Also, a surplus budget raises some concerns as it may produce certain effects on key macroeconomic variables such as money supply, interest rate, etc (Obioma, 2003).

According to UNIFEM (2002), the budget process is non-participatory. It is mainly a government exercise. It focuses on government rather than national programmes. Budget democracy is still a strange concept to policy makers. Legislators at all tiers are yet to cultivate the habit of cultivating the needs and preferences of their constituencies as a guide to their approval and oversight functions over the fiscal operations of government. Planning and budgeting processes are yet to become broad-based activities in Nigeria. The civil society has been involuntarily incapacitated from engaging effectively in national budgeting processes for reasons which include lack of relevant information and knowledge of budgetary processes.

While the methodology adopted for the paper is based on descriptive research, the study anchors its Analytical Framework on Performance Budgeting Approach as its analytical tool for explaining the interplay of factors which negatively impact on the dynamics of budget implementation in Nigeria.

### **Broad Objective:**

The broad objective of this paper is to establish the fact that in spite of the enunciation of reform measures designed to enhance public expenditure management, the national budgets are structurally ineffective, and as a result, negate the transformational role of catalyzing national development.

### **Specific objectives:**

The specific objectives are to:

- (i) Explain how the inefficiency of public spending limits the quality of budgetary outputs
- (ii) Analyze the impact of poor budget implementation on the provision of infrastructure

## **Methodology**

Essentially, the methodology adopted for this study was descriptive research which involved the use of content analysis as a tool of examining and analyzing data generated from secondary sources. The secondary sources included books, journals, governmental publications, newspapers and dissertation. The contents of these documents were critically analyzed in order to synthesize the generalizations underpinning the study. These generalizations validated the central theses of this study which were outlined in the objectives of the study.

## **Conceptual Clarification**

As earlier indicated, a budget is a fiscal policy instrument which specifies the income and expenditure of government over a specified period of time, during which the developmental items and projects proposed for the year are implemented. It allocates financial resources based on the developmental priorities of government in such a manner as to ensure efficiency in the use of scarce resources. It involves the estimation of government revenue and expenditures to achieve the strategic objectives of government, and thus guarantee the provision of essential services to the vast majority of the people. As an important tool of macroeconomic management, the budget determines who gets what and at what time, and thus is a veritable mechanism for the redistribution of wealth. Thus, budget implementation process must, therefore, align with the strategic objectives of government. It is for this reason that the legislature must discharge its oversight functions effectively in monitoring budget performance and keeping spending plans on track.

The budget can be examined from three perspectives, as a tool of: (a) *Accountability* (b) *Management*; and (c) *Economic policy*. Apart from being an instrument of accountability and prudence in the management of public financial resources, the budget is regarded as an instrument of management, since it provides the timing, costs and expected outcomes of important government decisions. As an instrument of economic policy, the budget signals the interest and direction of the government regarding the use of scarce financial resources and their allocation among competing sectors to promote the achievement and sustenance of economic growth and development (Golit, 2011).

Because the budget allocates resources to reflect government's developmental priority, it demonstrates the commitment to improved access to services like education and health, increased agricultural productivity and greatly improved infrastructure. The budgetary process is an important component of the reforms to the way the government does its business to ensure that the challenges are met (Obadan, 2003). Musgrave and Musgrave (1989) conceive modern budget in terms of allocation, stabilization and distribution. Allocative efficiency consists of the allocation of resources between the public and the private sectors, resource allocation among competing demands within governments, and assessment of the trade-off between allocation and other objectives. The stabilization function requires a more precise assessment of the economic impact of government operations on the economy and a consequent adjustment in the budget.

**Table 1: Review of Budgetary Process in Selected African Countries**

| <b>Countries</b> | <b>Time to consider the budget</b>  | <b>Process to scrutinize budget</b>                             | <b>Independent research capacity</b>     | <b>Public hearing held</b>  |
|------------------|---|---|--|---|
| Ghana            | Budget tabled one month before end of financial year. Four months provided for legislative scrutiny, but budget normally approved within 2 weeks of presentation                              | Committee designated and process set out in parliamentary rules | None                                     | Opportunity for submissions or appearance provided but rarely taken up due to late availability of information and limited time |
| Kenya            | Budget tabled 10 days before end of financial year. Provisional approval needed (vote on account allowing expenditure of up to 50% of funds) before year ends. Budget approval 6 months later | Committee designated and process set out in parliamentary rules | None                                     | Hearings held with limited effectiveness  |
| Nigeria          | Constitution does not provide   | Committee on appropriation exists.                              | Bill has been developed for the creation | Hearings held where experts   |

|              |  |   |                                     |                               |
|--------------|--|---|-------------------------------------|-------------------------------|
|              | <p>deadline for legislative approval of the budget. The executive can spend up to 6 months of previous year's budget before approval is granted</p>  | <p>Parliamentary rules set out clear legislative budget process</p>     | <p>of legislative budget office</p> | <p>comment on the budget.</p> |
| South Africa | <p>Budget tabled 6 weeks before start of the financial year. Legal framework provides for unlimited time to pass the budget. However, new types of expenditure may not begin without approval and spending limits before authorization is granted.</p> |   |                                     |                               |
| Zambia       | <p>Budget tabled up to two months after the start of the financial year. Time for legislative phase extremely</p>  | <p>Committee designated but tenure not assured and no clear process</p> | <p>No capacity</p>                  | <p>No hearing held</p>        |



|  |         |  |  |  |
|--|---------|--|--|--|
|  | limited |  |  |  |
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Source: Premchard, 2012

### **Conceptual Framework: Performance-Based Budgeting**

It is a well-known fact that the Federal Government and its agencies employ the traditional budget process to prepare their annual budgets. While public spending reflects the boom and burst cyclical nature of oil revenue, fiscal management is characterized by indiscipline. Added to this is the fact that government does not pay attention to monitoring and evaluation of budgets. This has resulted in poor budget performance and widespread corruption, which has given rise to the proliferation of abandoned projects in Nigeria. Another major characteristic of the traditional method is that budgets are prepared by the federal and state governments, with little or no input from the organized private sector, local communities, industrialists, civil society groups, etc. The focus is on inputs in terms of amount spent rather than on outputs, outcomes and impacts. The Traditional method of budgeting which characterizes the foregoing is the most common method of budgeting in Nigeria. The traditional method is *line-item based* and incremental in nature. Unlike the Traditional method of budgeting, the emergence of a more innovative approach aptly titled Performance-Based Budgeting (PBB) represents a paradigm shift geared towards integrating efficiency and accountability into the budgetary process. Accordingly, this study adopts the *Performance Based Budgeting (PBB) approach* as its Analytical Framework.

Among others, the tenets of PBB include: ensuring that more administrative activities are covered than the traditional line-item budget; inputs and outputs are considered; the approach makes the traditional budget management mode turn from the personnel- function-funds mode to the public productcost mode; budgeting is seen as not only one of precise and controlled accounting, but the development of programmes classifications, the description of an agency's programmes and its performance, and the exploration of various kinds of work/cost; Managerial capability, as opposed to accounting skills is stressed; the role of the budget agency should evolve from a fiduciary to an efficiency function, whereas under the line-item budget, an administrator asks of only input-related questions. In PBB, the administrator is forced to ask of output-related questions as well; and emphasis is placed on efficiency, effectiveness and accountability, etc

Variously referred to as Performance-Based Budgeting, Results-Based Budgeting or Outcome-Based Budgeting (Melkers, 2003), there is no universally accepted definition of what it means to integrate performance into budget but there is general agreement that it has two uses- to develop budget proposals and to execute an agreed-upon budget. Furthermore, it is known either as a programme budget, emphasizing its budgeting for programmes or a performance budget, stressing its focus on agency performance and its

measurement. In reality, it does both. Consequently, Performance-Based Budgeting is defined as a system of resource allocation that organizes the budget document by operations and programmes and “links performance levels” of those operations and programmes “with specific budget amounts”.

Besides, Performance -Based Budgeting places emphasis on linking budget levels to expected results, rather than to inputs or activities. Unlike the line-item budget or incremental budgeting which focuses attention on the inputs to which money is allocated, the Performance-Based Budgeting is significant because it uses statement of missions, goals and objectives to explain why the money is being spent. Thus, while the traditional line-item budget emphasizes control to problems of financial irregularity in government, Performance-Based Budgeting allocates resources to achieve specific objectives based on programme goals and measured results.

The relevance of PBB is attributed to the following reasons: the need to review the allocation of resources rigorously due to the inability of many governments to generate new sources of revenue to underwrite the growing cost of existing programmes and services or to finance new ones; demands by a better educated public in the aftermath of scandals concerning waste and corruption; for information about the use of tax - payers’ money; the evolution of a global village, in which a report about an alleged good practice in one country may generate local media reports influencing public opinion in favour of imitating and transplanting such a desired practice; pressure from donor states and international organizations, such as the World Bank, on governments of developing countries to introduce such measures to facilitate better decisions; the desire of Legislatures to re-establish their credibility and accountability and create solutions to serious social issues; problem of declining of trust; and the need for e-Government and new organizational setting of public value creation by citizens innovation and civic integration (Omoke and Udude, 2011).

The main proponent of this approach is the United Nations through which it has gained acceptance and publicity. Thus, while the traditional line-item budget emphasizes control to problems of financial irregularity in government, PBB allocates resources to achieve specific objectives based on programme goals and measured results. As an innovative approach to budgeting, PBB influences how managers view their roles in the budget process, while being held accountable for programme results (Jones, 1998; Schick, 1998).

### **The budget, reform measures and the inefficiency of public spending**

Due to the scarcity of resources to fund development programmes, the budget ensures rational and optimum utilization of resources to avoid waste. This informed the United Nations advocacy for an ideal budget which must consist of the following elements: (a) The appraisal of various governmental activities in terms of their contribution to the national objectives; (b) The projection of governmental activities over an adequate time period; (c) The determination of how these objectives can be attained with minimum

resources; and (d) The revision of the budget in the light of changing circumstances and experience. In Nigeria, the budgetary process is influenced by the 1999 constitution, which provides for checks and balances. A major flaw with the constitution is that it did not provide definite deadline for legislative approval of the budget. The executive can spend up to 6 months of the previous year's budget before approval is given. While the executive prepares the budget, the legislature approves the budget. Time for budget consideration and debate varies from country to country.

In spite of UN insistence on reforms, various measures and policies to improve public expenditure management have failed to yield the expected outcomes, resulting in several weaknesses that have persisted in the planning and budgeting processes of developing countries. These include the treatment of the capital budget as residual to the recurrent, neglect of recurrent costs of capital expenditure, unsustainable fiscal deficits, large extra-budgetary appropriation, and poor coordination between planning and execution of budgetary activities. These problems can be attributed to a number of factors, including weak executing capacity; lapses on the part of government on executing agencies; political interference resulting in plan/budget indiscipline; resource constraints and uncertainties; delay in the release of project funds; and lack of grassroots' participation in development management and the prevailing culture which does not adequately encourage adoption of scientific approach to budget formulation and monitoring (UN, 2000).

Budgeting in Nigeria reflects the boom and bust cycle of the global oil market. A fall in the price of crude oil precipitates drastic reduction in government revenue which, in turn, leads to cuts in government spending, especially on the provision of infrastructure, goods and services as well as job creation, etc. An example was the forceful review of the 2009 budget benchmark downwards from US\$65 dollars to US\$45 dollars as a result of developments in the world economy (Goshit, Gideon, et al, 2010)). The volatile nature of the oil market affects budget implementation. Government's fiscal policy stance is highly expansionary resulting majorly in fiscal deficits created by the disequilibrium between income and expenditure, which government must fill by borrowing.

With the inception of the civilian administration in 1999, the government of Olusegun Obasanjo introduced policy reforms in 2003 aimed at instilling accountability and due process in the management of public financial resources. These reforms include the Fiscal Responsibility Act, Medium Term Expenditure Fiscal Framework and Fiscal Strategy Paper (FSP), Due Process, Public Procurement Act and NEITI. These reforms were introduced as part of the reform agenda under the NEEDS framework. NEEDS is a policy document charged with poverty reduction, job and wealth creation, and moral reorientation. The reforms stipulate rules and regulations to enforce transparency, accountability and openness in fiscal operations, including the operation of the Medium-Term Expenditure framework, budget planning and execution, management of public revenues and savings, debts and borrowings (FGN, 2007).

Although government believes that these reforms have improved public expenditure management ( Okogu and Osafo-Kwaako, 2008; Okogu, 2010), a report by the United-States International Budget Partnership (IPB) shows that budgets are poorly executed in Nigeria. The legislature has not been effective in carrying out its oversight functions by not exercising legislative control over actual expenditure by the MDAs.

Public spending has not produced the expected outcomes, and this has created limited impact on economic and social development. The annual budgets place much emphasis on inputs and less on outputs and the quality of spending. The quality of spending is horribly low in efficiency and effectiveness to the extent that the resources spent annually are grossly disproportionate to the outputs realized (Christian Aid, 2013). Endemic corruption is partly responsible for this. According to a former Education Minister, Oby Ezekwesili, as much as 20% of the entire capital expenditure ends up in private pockets annually in Nigeria (Punch, 2013). The World Bank(2012) is of the view that the real problem with Nigeria's budgetary system is low efficiency of budget spending and not inadequate funding. Indicators of low public spending efficiency include the poor state of the services - health, education, roads, power, etc.

**Health:** It is estimated that total spending in the sector (public and private) exceeds 6 percent of GDP, which is rather high by international standards. However, the health outcomes remain extremely low and have not improved over the years. Infant and maternal mortality rates remain high at 110 and 8 per 1,000 births in 2005, respectively. Moreover, infant mortality increased by 20 percent between 1990 and 2010. Communicable diseases (particularly malaria and diarrhea) are the main causes of mortality, which can be easily prevented or treated at relatively low cost.

**Education:** This sector has been attracting a significant amount of funding over the last 4 – 5 years from all tiers of government without much change in social indicators. This helped to improve significantly net primary enrollment. Also, the share of the primary school students that reach grade 5 increased from 71 per cent in 2000 to 78 percent in 2010. But the quality of the nation's teaching and schooling remains of concern, and this is reflected in poor literacy outcomes. Adult literacy rate was only 64 percent in 2010.

**Roads:** Inadequate funding for maintenance, rehabilitation and asset renewal during the previous decades is the major reason for high transportation costs and poor safety conditions. It is estimated that between 50 and 70 percent of road network is in poor condition (Willoughby, 2010). The FGN recently has increased funding for the sector to address the problem.

**Power:** In 2001 – 10 The Federal Government spent, through investment grants, subsidies, and loans in the sector, about N270 billion or more than US\$2 billion, while the massive power shortages remain the major development constraint for the private sector and a critical social problem. A partial explanation for this low impact of budget spending relates to the low completion rate of initiated investment projects in the sector. The value of unfinished construction has increased by N82 billion since 2010.

Serious concerns have been expressed about the capacity of the Ministries, Departments and Agencies (MDA) to absorb the huge budgetary resources envisaged for the implementation of the MDGs. Former President Yar'Adua acknowledged in 2008 the relatively low utilization of the capital budget in 2007, hence the reduced level of capital budget in 2008. His 2008 Independence Day (Oct.10) broadcast confirmed the fact that over N400 billion was recovered from MDAs as unspent capital funds released in 2007. This amount represented 51% of the 2007 capital budget. Since then, the situation has not improved with regard to the implementation of annual budgets. In spite of the early cash backing of capital releases, available data shows funds utilization to be very low, 24.11% overall. Many MDAs recorded less than 10% funds utilization rate. With the inefficiency of public spending combined with other factors like inadequate human resources, late budget passage, late releases of budgeted funds for project implementation; the realization of MDG (Goal 1) on poverty reduction is slim. The MDG Report shows that Nigeria can achieve the MDGs in the areas of universal primary education, the fight against the scourge of HIV/AIDS, improving the sustainability of its environment, and achievement of global partnership; whereas the attainment of poverty eradication and reduction of child and maternal mortality remain unattainable and in jeopardy (NPC, 2007).

### **Budget implementation and infrastructural provision**

Delayed budget presentation and lack of effective budget implementation have combined to stall the realization of the nation's socioeconomic development, especially the provision of infrastructure. While trillions of naira is budgeted to tackle the myriad of developmental challenges bedeviling the country, the institutional and administrative capacities to ensure efficient management of financial resources to avoid waste are conspicuously lacking. For every N1 that is spent, only 40 kobo adds value to the economy, while 60 kobo goes into private pockets (Okonjo-Iweala, 2003). This is largely attributed to corruption. It is estimated that about \$400 billion of oil revenue was stolen or misused since 1960. According to Eze Onyekpere (2014), the level of economic growth and development in any society is directly related and proportional to the maturity of its budget policy and how the policy responds to the challenges facing the society. The delays in budget presentation and approval jeopardize the implementation of capital projects and services required as catalysts for meeting the infrastructural needs of the country. The catalogue of delays is as follows: the 2006 budget was presented to the National Assembly on December 6, 2005 and signed into law on February 22, 2006; the 2007 budget was presented on October 11, 2006 and signed into law on December 22, 2006; the 2008 budget was presented on November 8, 2007 and signed into law on April 11, 2008; the 2009 budget was presented on December 2, 2008 and signed into law on March 8, 2009; while the 2010 budget was presented on November 23, 2009 and signed in April 2010. The 2011 budget was presented on December 15, 2010 and was signed into law after the end of the first quarter, while the 2012 budget was presented on December 13, 2011 and signed into law in April 2012. The 2013 budget was signed into law after the

end of the first quarter. With respect to the 2014 budget which was presented in December 2013, the budget was signed into law in May 2014.

In 2007, the federal government earmarked 57% of its N2.34 trillion budget for recurrent needs and exceeded it while the 43% it set aside for capital projects was never fully disbursed. Only 33% of the N2.33 trillion budget in 2008 was voted for capital projects, while 67% was for recurrent expenditure. Out of the N2.87 trillion budgeted in 2009, only N796 billion or 27.73% was voted for capital projects. In the year 2010 budget of N4.6 trillion, only 36.9% or N1.7 trillion was earmarked for capital projects. The government overspent its recurrent votes of about N2.9 trillion and had to borrow in order to meet the shortfall. The 2011 budget of N4.2 trillion voted N1 trillion or 23.8% for capital projects whereas N3.2 trillion or 76.19% was voted for recurrent needs. The 2011 budget achieved only 37% capital budget implementation. With a fiscal policy framework that places emphasis on deficit financing and borrowing to meet revenue shortfalls as well as the preponderance of recurrent budget gulping 70% of the budgets, the country's prospects for massive infrastructural development to aid industrialization is slim. A critical examination of the 2014 Budget proposals shows that, as usual, it is tilted in favour of recurrent expenditure (76.3%) over capital expenditure (23.7%). The budget is laden with a lot of questionable welfare packages which are recurrent in nature, and are not linked with the nation's development. With the exception of few Ministries such as Agriculture and Rural Development, Water, Transport, Lands and Housing, the rest of the 42 MDAs will spend more on their recurrent than on capital projects. A few examples will suffice: Ministry of Education including UBEC: Recurrent Expenditure - N443.9 billion, Capital Expenditure- N49.5 billion; Health: Recurrent Expenditure – N216.4 billion and Capital Expenditure - N46.3 billion; Ministry of Interior: Recurrent Expenditure - N144.7 billion, Capital Expenditure – N6.2 billion etc (Effanga, 2014).

**Table 2: Structural composition of budgets in Nigeria, 2014-2007**

| Year                          | 2014            | 2013          | 2012          | 2011          | 2010          | 2009            | 2008            | 2007          |
|-------------------------------|-----------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|
| Capital Expenditure           | 26%             | 32%           | 28.53%        | 23.8%         | 36.9%         | 27.73%          | 33%             | 43%           |
| Recurrent Expenditure         | 74%             | 68%           | 71.47%        | 76.19%        | 63.1%         | 72.27%          | 67%             | 57%           |
| Amount Budgeted               | N4.495 trillion | N4.9 trillion | N4.7 trillion | N3.2 trillion | N4.6 trillion | N2.8 trillion   | N2.33 trillion  | 2.3 trillion  |
| National Assembly Allocations |                 | N150 billion  | N150 billion  | N150 billion  | N150 billion  | N158.92 billion | N114.39 billion | N66.4 billion |

Source: CBN Reports, 2014

Without adequate investment in infrastructure, the country cannot achieve rapid economic growth and industrialization. Industrialization, as the hallmark of the diversification of economic activities, facilitates the production of exports which places countries on a competitive global edge over their counterparts. Moreover, Nigeria cannot achieve its transformation agenda of poverty reduction, job and wealth creation if she remains unindustrialized and largely an agrarian- single export commodity economy. The lack of industrialization and the surfeit of social malaise such as poor life expectancy, low literacy rate, huge inequality and high prevalence of HIV (3.6%) have combined to rank Nigeria 156 out of 180 countries on the Human Development Index.

The lack of sound and reliable infrastructure has hindered Nigeria's industrial development with manufacturing contributing less than four (4) % to the GDP. The decrepit infrastructure has rendered Nigeria's economy less competitive and less attractive for foreign investment. In terms of the competitiveness of the Nigerian economy, she is lagging behind. With a Competitiveness Index of 3.38 in 2011, Nigeria is ranked 127<sup>th</sup> out of 139 countries in the world, below 18 other sub-Saharan African countries. The number is worse than the previous two years, when Nigeria ranked 125<sup>th</sup> and 121<sup>st</sup> respectively. The 2011 World Bank's Doing Business Report indicates that Nigeria was ranked 137<sup>th</sup> out of the 183 economies surveyed compared to its 134<sup>th</sup> ranking in 2010. Among the sub-Saharan African countries, the report ranks Nigeria 17<sup>th</sup> out of the 40 economies; behind Mauritius (1), South Africa (2), Botswana (3), Rwanda (4), Ghana (5), Namibia (6), Zambia (7), Seychelles (8), Kenya (9) and Ethiopia (10) (Nnadozie, 2012). While about 70% of the country's 140 million people live in poverty, the United States State Department asserts that only 17% of the population has access to clean drinking water. Due to poor budget implementation outcomes, the provision of services like housing has suffered serious setback. Latest estimates show that Nigeria urgently needs 20 million additional housing units to solve the present shelter crisis while graduate unemployment stands at about 40%. The poor state of power, energy, steel, and rail facilities constitute a hindrance to economic growth. The parlous state of the country's infrastructure increases the cost of doing business in Nigeria.

A study by the Bureau of Public Enterprises in 2006 shows that the existing road network of less than 200,000 kilometres is inadequate for a country with a land area of 923,768 square kilometres. Besides, while the estimates of electricity demand ranges from 15,000 to 22,000 megawatts, the sector hardly generates 3,000 megawatts at any time, in spite of huge investments in the power sector. Some \$10 billion dollars invested on the power sector between 1999 and 2007 has yielded nothing. The dismal performance is attributed to corruption and ineffective policy and programme implementation as well as poor service delivery. The Manufacturers Association of Nigeria attributes the closure of 830 factories to power shortages (Punch, 2010). According to the International Monetary Fund (IMF), for Nigeria to close the infrastructure gap, she must achieve annual double-digit growth over the next 10 years. Achievement of double-digit economic growth requires huge investment in infrastructure and human capital development, strict

enforcement of policy reforms, including anti-corruption measures, and the creation of enabling environment for the inflow of foreign investment. Besides, the rent-seeking behavior of the state and federal policy makers should be curbed in order to unleash the growth potentials of the economy. At the moment, the high cost of governance has gulped trillions of naira that should have been invested in social and economic infrastructure to accelerate economic development. The National Assembly's budget of N150 billion per year (about 25% of the nation's budget) is a drain on the country's financial resources, and should be drastically reduced to free up money for infrastructural development. Beyond the rhetoric of transforming the economy by the federal government which has been alluded to in her budget proposals, the budget must address the critical issues of sustainable development which would require that the structure of the economy be transformed from a low-income agrarian to high income industrial and service-based economy. The nexus between budgeting and transformation, as far as development is concerned, are mutually reinforcing. While budgeting should unleash the momentum for transformation by providing the policy framework, financial and physical infrastructure as well as monitoring and evaluation capacities, transformation must ensure that these provisions are translated into tangible outputs and outcomes. In effect, therefore, transforming the Nigerian economy requires a strategy for industrialization and agricultural modernization; right economic, social and sectoral policies; investment in people, infrastructure and knowledge; improving the functioning of the market and business environment; and mobilizing the resources to achieve the objectives.

### **Conclusion**

The reoccurring problem of budget failures is a matter of serious concern, which if not checked, will continue to undermine Nigeria's rapid socioeconomic development. Given the rate of budget failures, it is time for Nigeria to embark on a fundamental shift from the Traditional method of budgeting to Performance- Based Budgeting. This will involve realigning the budget to conform to expected results and outcomes. Given the imperative of national development, policy makers must ensure that budgeting in Nigeria is fundamentally reviewed both in philosophy and structure to reflect existing realities. There is need for the operators of the budget (federal officials and the legislature) to rise above primordial considerations, which require that budgets be recognized as tools of transformation rather than tools of self-enrichment. In effect, therefore, budgets should de-emphasize consumption and give attention to massive infrastructural development in order to facilitate national development.

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## **YOUTH ENTREPRENEURSHIP AS A TOOL FOR ECONOMIC DEVELOPMENT IN NIGERIA**

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### **Abstract**

This paper is on youth entrepreneurship as a tool for economic development in Nigeria. The paper discussed the concept of youth, entrepreneurship, and youth entrepreneurship, the youth entrepreneurship strategies, and barriers to entrepreneurship development among Nigeria youths. The study holds the view that promoting entrepreneurship culture is on the ground that youth in all societies have sterling qualities such as resourcefulness, initiative, boldness, imagination, enthusiasm and courage among others which are all valuable traits for entrepreneurship development. Data for the study were gathered through secondary sources. The study show how high cost of doing business in Nigeria and the social attitude of youths among others were barriers to entrepreneurship development in Nigeria. It recommended among others that strong patent law should be provided by the government of the Federation so that local entrepreneurs will be protected from foreign producers.

**Keywords:** Development, Youth Entrepreneurship, Unemployment, Strategies.

### **Introduction**

Nigeria is a nation of paradox, blessed with enormous human and natural resources which if properly harnessed would turn this country into a developed economy. Nigeria remains the most populous country in Africa and one of the best endowed. The country is

endowed in terms of abundant deposits of crude oil, mineral resources, agricultural products and human resources etc. Nigeria has 10th largest proven oil & gas reserves in the world; while within OPEC it is the 6th in terms of reserves and daily production (Adeola 2001). Nigerian oil and gas exports account for more than 98% of her export earnings and about 83% of the federal government revenue (Adeola 2001). In addition, Nigerian average GDP growth is consistently between 5-8%. Despite the positive macroeconomic indicators of Nigeria, more than 70% of its population live under poverty line of \$2 a day. This could be obvious because poverty is likely to get worse as the gap between the rich and the poor continues to widen. Mohammed (2004) on his part observed that despite these huge resources, Nigerians are wallowing in abject poverty with its attendant social, economic, political, and psychological consequences. In fact, Statistics from the Federal Manpower Board and the Bureau of Statistics in 2011 noted that the Nigerian youth population is about 80 million, representing 60% of the total population of the country. Sixty four million of youths are unemployed, while 1.6 million are under-employed. The urban youths, aged 20 – 24 had an unemployment rate of 40% while those aged between 15 – 19 years had an unemployment rate of 31% (Emeh, Nwanguma and Abaroh 2012). But given the massive corruption, lack of commitment, which helped to scourge of poverty and unemployment, the dominant role of public section in the economic life of the nation, has lost opportunities for growth and sustainable development. It is an attempt to rescue this rapid decline in the nation's economy that current government policy of private sector (privatization) led growth for job and wealth creation which is finally based on entrepreneurship is being pursued with enthusiasm/force. In this particular time, government is to provide an enabling and conducive environment for the private sector to strive. This could only be achieved through a change of attitude and quite embrace entrepreneurial development which is a contemporary phenomenon now. Globalization call for value creation and greater competitiveness for Nigeria youth not to lose out. The objective of this research is to examine youth entrepreneurship as a tool for economic development in Nigeria.

## **Conceptual Analysis**

### **The Concept of Youth**

Youth simply refers to a young person between childhood and adult age. It is a transition period between adolescent and adulthood. However, it must be emphasized that there is no consensus regarding the age bracket of a youth. Biologically, youth is the quality of being young, youthfulness and juvenility. It is that aspect of one's existence that succeeds the child hood stage but precedes the adult age. Apart, from the biological perspectives, other allusions to the youth concept borders commonly on agreed aspects as rate of dependency on parents, physical development, behavioural tendencies and age categorizations.

For our study, we are adopting the age categorization to distinguish the concept of a youth, as a result of the fact that, this age variable is more commonly accepted across

countries. In Nigeria, however, the maximum age limit for a youth is pegged at the age of 30 years, as reflected in the National Youth Service Scheme. In this sense, most people in this bracket are regarded as the Nigerian youth irrespective of their chronological age. Ejiogu (2001) maintained that person who is aged between 17 and 20 years is a youth. (FGN 2001) and Oluwadawe (2004) considered persons with age bracket 10 to 24 years as youths.

According to Ugwu (2009) the term youth is ambiguous, with different meaning in different context. The people's democratic party (PDP, 2001) refers to the person within 50 years of age as a youth and could join the youth wing of the party if so desires. In fact, in Nigeria any person between the age of 18 and 45 is regarded as youth hence this study is within Nigerian content. In Africa, like most developed countries, a person is defined as a youth when the individual reaches the age which is generally referred to as the age of maturity. According to Adegun and Akomolafe (2013) youths have both positive and negative attributes which are predominant and distinguish them from the adults. They are energetic and full of life, they are fearless (sometimes to a fault), they are generally militant, rebellious and have disregard for social norms and ethics. They usually lead campaigns against what they perceive as injustice inequality, discrimination and violation of fundamental human rights. Youth is the age of discontent and rebellion (Ejiogu 2001). They remain the bedrock on which every nations development thrives. They are the most exuberant, the sharpest in memory, the most talented, the most innovative and the healthiest in most societies. These qualities have made them the most potent resources without which society is lifeless. Despite these positive attributes, they are arguably the most vulnerable, most deprived, most discriminated against, the most marginalized, mostly exploited particularly by politicians. The most counter productive, and the most endangered species in society especially in African and Nigeria inclusive (Dei-Tumi, 2011).

### **The Concept of Entrepreneurship**

The word entrepreneur is derived from the French word 'entreprendre' meaning 'to undertake'. The concept of entrepreneurship was first established in the early 1970s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Steinfioff and Burgers (1993) view entrepreneurship as the ability to develop a new venture or apply a new approach to an old business. According to Gana (2001), entrepreneurship is the ability to seek investment opportunities and persisting to exploit that opportunity. On the other hand, Anayakoha (2006) sees the entrepreneur as one who chooses or assumes risks, identifies business opportunity, gathers resources, initiates actions and establishes an organization or enterprise to meet such demand or market opportunity.

Allawadi (2010) describes the carryout of new combinations as "enterprise" and the individual whose function it is to carry them out as "entrepreneur". He further tied entrepreneurship to the creation of five basic "new combinations" of introduction of a new

product, a new method of production, opening a new market, conquest of new source of supply and creating a new organization. Stevenson (2007) defines entrepreneurship as the pursuit of opportunity through innovative leverage of resources that for the most part are not controlled internally. Most economists believe it is more than that. In particular, the concept of entrepreneurship from a personal perspective has been thoroughly explored in this century. The exploration is reflected in the following three definitions of an entrepreneur: The economist view, psychologist and the businessman.

To an economist, an entrepreneur is one who brings resources labor, materials, and other assets into combination that make their value greater than before, and also one who introduces changes, innovations, and a new order.

To a psychologist, such a person is typically driven by certain forces the needs to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others.

To businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur, may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better ways to utilize resources, reduce waste and produce jobs others are glad to get. Some individuals apply the concept of entrepreneurship to the creation of any new business, while others focus on intentions believing that entrepreneurs merely seek to create wealth. This is different from starting a business as a means of “working for yourself” rather than working for others. Others tend to confuse managing a small business with entrepreneurship. But Stevenson and Grousbeck (1999) argued that not all small business managers are entrepreneurs because they don’t innovate.

On the other hand, Stoner, Freeman and Gilbert (2000) note that the function that is specific to entrepreneurs is the ability to take the factors of production – land, labour and capital and use them to produce new goods and services. However, they argue that entrepreneurs perceive opportunities that other business executives do not see or care about. Creativity and entrepreneurship promote the birth of new firms which is critical to economic development efforts. Therefore, a definition which seem to fully capture the true meaning of entrepreneurship is the one provided by Stevenson and Gumperts (2002) as a process in which individuals pursue opportunities, fulfilling needs and wants through innovation together with the attendant risks. Based on the above definitions, it can be concluded that entrepreneurship is the process of carefully determining and analyzing unmet needs through creatively satisfying those needs by bearing the related risks. By combining the above thoughts, it can be argued that entrepreneurs are risk bearers, coordinators, organizers, gap-fillers, leaders and innovators. In a simple sense entrepreneurship is the process of creating something new with value by devolving the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards. According to Hisrich, Robert, Michael, Peter and Dean (2005), in almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: initiative taking, the organizing and

reorganizing of social and economic mechanisms to turn resources and situations to practical account and lastly the acceptance of risk or failure.

### **The Concept of Youth Entrepreneurship**

Considering the view of what entrepreneurship is, there exist diverse opportunities and potentials within an individual and his environment. The concepts as indicated earlier refers to a creative and innovative responses in economic and social ventures. It further involves setting up of business venture through willingness and ability of an individual to explore investment opportunities and being able to run the business successfully through making it profitable or suffering loss of invested capital. Thus youth entrepreneurship has been given prominence all over the world. Through entrepreneurship, youth are provided with knowledge, skills and innovation so as to encourage them to develop entrepreneurial acumen in variety of setting (Kirzner, 1984).

### **An Overview of Economic Development**

There are various definitions for the term “economic development”. In its simplest form, it is defined as “progress towards prosperity” or “improvement in well-being”. Todaro and Smith (2007) defined economic development as “multidimensional process involving the re-organization and reorientation of the entire economic and social system”. In a more robust form, economic development is defined as the process of improving the quality of all human lives that involves four aspects. Firstly, it involves economic growth, i.e., increase in the production of goods and services. Secondly, it involves raising peoples’ living standards, their income, consumption of food, access to health and education, housing, sanitation, modern technology etc. Thirdly, it involves creating conditions, conducive for the growth of peoples’ self-esteem through appropriate social, political and economic systems/institutions/process that promote human dignity and respect. Fourthly, it involves increasing people’s freedom to choose by enlarging the range of options available to individuals including consumer goods and services as well as other social and political variables.

### **Strategies for Entrepreneurship among Nigerian Youths**

#### **i) Technologies for Socio-Economic Development**

From ancient forms, technology has evolved into such devices as computer or mobile phone. Technology is so predominant in many of our modern societies and so widespread that its implementation is not limited to any particular field or linked to any specific sector. Today, men and women need broad based skills, which can be adopted to rapidly changing economic requirements as well as appropriate basic skills which enable them to benefit from information technology, increasing their ability to overcome barriers of distance and budgetary limitations (Baba, 2013). Further, domain-specific educational multimedia is directed to knowledge acquisitions skills development in the language arts, history, physics, literature, biology and so on. There is no doubt that Information and Communication Technology (ICT) provides productive teaching and learning in order to

increase people's creative and intellectual resources especially in today's information society. Through the simultaneous use of audio, text, multi -color images, graphics, motion, technology gives ample and exceptional opportunities to the students to develop capacities for high quality learning and to increase their ability to innovate for self-employed after school.

## **ii. Developing Entrepreneurship Culture**

Developing entrepreneurship among youths requires going beyond the school curricula in Nigeria to engage the youths. A strong entrepreneurship culture should be built in the youth. This should be done through non-governmental organizations, community based organizations and institutions like the family, churches and uniform groups. They should openly support the agenda of wealth creation, innovation and entrepreneurship "code ethnic" in a more sustainable way to provide the basis upon which a new paradigm can be created. This would complement the state agenda, which is to create a conducive environment where entrepreneurship can thrive. Therefore all sectors of our society must participate in developing entrepreneurship especially to our youth.

## **iii. Creation of Education Innovation Fund**

Creativity and innovation on the part of Educators are vital ways of entrepreneurship. Government at all levels should create small pools of funding to help stimulate such innovation. These funds could be managed by a advisory council. The fund would provide small seeds grants to support development of new entrepreneurship education models that would help advance the field. The fund could operate as a demonstration grant program or as an annual competition.

## **iv. Creativity**

Creativity is defined as the ability to develop ideas that are unique, useful and worthy of elaboration. It involves the use of ideas (working on ideas) to solve problems, fashion products, and define new questions in a particular cultural setting. This implies that what is considered creative in one setting may be a regular occurrence in another. The key word to creativity therefore is insight which emphasizes the might or ability to see a new thing (Woolfolk, 1998). The question then is, will people with insight automatically become creative? The answer is that the possession of creative ability ensures that an individual might exhibit creative behavior to a noteworthy degree. However, the individual's motivation, temperamental traits and willingness to learn will also count. It also includes the urge to engage in new things, tendency to favour or not to favour objects, self-confidence and willingness to take risks. These are all contributing factors that determines who will exhibit creativity. Therefore, creativity becomes importance in the process of entrepreneurial development among Nigeria youth (Onu, 2006).

## **Barriers to Entrepreneurship Development among Nigeria Youth**

### **i) High Cost of Doing Business in Nigeria**

Nicks (2008) echoes the same concern when he stressed that the most important concern of most of the potential or growing entrepreneurs is that of finance. Entrepreneurs are in business (take risk) because they want to make profit. Where the expected return from a venture is lower than the opportunity costs, it will act as a disincentive for the entrepreneur. Due to collapsed infrastructural facilities and unbridled corruption, where entrepreneurs have to spend huge sums to provide some basic infrastructure and bribe government officials, it makes the cost of doing business in the country to be too high with adverse implication for profitability.

#### **ii) Inappropriate Incentive Structure**

The oil boom has destroyed and distorted our attitude to work, and this has affected the psychological quotient of an average Nigeria who wants quick money. Policy instability creates an atmosphere of uncertainty the incentive structure that is generally biased in favour of activities with relatively short transaction cycles and quick returns discourage innovation and entrepreneurship (Baba, 2013).

#### **iii) Entrepreneurship Education**

Most Nigeria youths do not have access to entrepreneurship training, materials, teachers, and equipment. The learning environment and support tools are not available in our schools. Adequate teachers to provide the needed appropriate skills and attitudes are not available. The entrepreneurship programmes are not included in the school curricular, the current educational system although to some extent teaches entrepreneurship, but does not promote youth entrepreneurship development in any sense. A comprehensive entrepreneurship education in all discipline should be introduced so that all disciplines can learn how to make money on their own without seeking for jobs. It is generally observed that when a business is seen to be flourishing, everybody seems to divert to such flourishing business. If after sometime the business is flooded and it is no longer flourishing people rush out of it again. As a result of this, entrepreneurship becomes a failure. (Adegun and Akomolafe 2013).

#### **iv) Social Attitudes of Youths**

The fear to take risk and the stigma of failure are key factors why young people don't engage in entrepreneurship. Some who engage in small scale business usually discontinue after a little while if it does not prosper as they wish. Many are highly impatient to see their business grow at a snail speed. The entrepreneurship spirit of taking risk is not built in them and to develop it over night had been a great challenge. The influx of foreign goods into the local market and corresponding unfortunate development of the uncontrollable local demand for foreign goods are disincentives that militate against growth of start-up business by youths. According to Salami (2013), another big challenge to the youths is the need to change their mindset from that of job seekers to job creators; from writing good bios to writing great business plans. It also means transitioning from being provincial to thinking regionally and even globally, from waiting for change to



becoming the drivers of change. Effort should be made to promote nobility of character and eschew ignoble wealth acquired by dishonest means.

### **Conclusion and Recommendations**

Entrepreneurship is essential for rapid and sustained economic growth and development. It creates the required manpower and skills necessary for accelerated growth, reduce unemployment and poverty. It is therefore strategic and wise for Nigeria to assign a significant and increasing role to entrepreneurship in their effort to revamp the economy. Thus the role of youths in the process of building a virile nation and igniting the fire of self-reliance which is necessary for economic development cannot be over emphasized. The youth cannot serve as a tool for economic development if they are not empowered earlier indicated. Through creativity and a well planned and executed entrepreneurship education, the Nigerian youths will learn to be happy and be fulfilled persons. They will be productive and committed as employees of labour.

As a result of the discussions above, it is thereby recommended that:

Strong patent law should be provided by the government of the federation so that local entrepreneurs will be protected from foreign producers. Government should encourage the production and consumption of local products made in the country, in this way, the indigenous entrepreneurs will be encouraged to venture into business (Future and upcoming entrepreneur). The youth should concentrate in their studies during their period of studies in higher institutions of learning so as to acquire the required technical skills which will help them to identify business opportunities take advantage, of such opportunities, venture in to business and become a successful entrepreneur which will result to economic development. Added to the point above, there is need for regular review of the entrepreneurship education curricula in Nigeria. Every university, polytechnic/colleges of education should evolve a culture of entrepreneurship by supporting, training and rewarding their self-reliant graduates. This approach would help engender entrepreneurship culture effectively and efficiently in Nigeria. Further, in repositioning youths for the eradication of unemployment, there would be need to transform them into confident, aggressive and purposeful individuals. The ideal profile for emerging professionals (products of our ivory towers) with respect to entrepreneurial education, this would include a strong scientific, technical and factual base with good background information and research skills. The individuals who opt for non-degree training in skill acquisition with entrepreneurial background are also not left out. All must have a high level of creativity and innovation and the ability to think about the future and relate these ideas to his/her business.

Finally, the federal ministry of Education in consultation with relevant agency should reinvent the one-year National Youth Service as a period for putting into practice the entrepreneurship education learnt in the universities/polytechnics/colleges. After the service year, the corps members should be able to establish their respective small businesses instead of looking for white collar jobs that are elusive.

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# **BANKING SECTOR REFORMS IN NIGERIA AND UNEMPLOYMENT IMPLICATIONS**

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## **Abstract**

Banking sector reform has been an aged long practice and it is part of countrywide financial reform agenda. Reforms are predicated upon the need for reorientation and repositioning of an existing status quo in order to attain an effective and efficient state. The objective of this paper is to review the past banking reforms and draw out the relationship if any between the reforms and unemployment situation in Nigeria. The paper adopts a methodology of documentary analysis which involves the consultation of journals, records and a review of the relevant literatures. The paper noted that the Central Bank of Nigeria (CBN) has pursued several reform agenda which have served the economy relatively well in terms of creating macroeconomic stability however there still exists much room for improvement in the policy environment. Nigeria has witnessed impressive economic growth over the years yet there is an absence of a corresponding reduction in the unemployment rate in the country. The study concludes that banking sector reforms should be based on legal principles and sound logical reasoning and not by sheer instincts. The paper recommends that the goal of unemployment reduction should be well incorporated in the banking reform initiatives and requisite performance measures put in check to ensure that this goal is attained.

**KEYWORDS:** *Banking Sector, Reforms, Nigeria, Economy, Unemployment*

## **Introduction**

The management of the Nigerian economy is a leading public issue that is of continuing relevance and interest not just to Nigerians but beyond and ought to be accorded the requisite attention. In the view of Sanusi (2012), banking reform is an integral part of the country-wide reform programmes undertaken to reposition the Nigerian economy to achieve the objective of becoming one of the 20 largest economies in the world by the year 2020. As part of the vision, the banking sector is expected to effectively play its

actual role in intermediation and for the banks to be among global players in the international financial markets.

Banks have a strategic role to play in the national economic development. This is hinged on their basic function as financial intermediaries, mobilizing vital savings from surplus economic units and channeling same to deficits sectors. An efficient financial system is widely accepted as a necessary condition for an effective functioning of a nation's economy. The state of development of the financial market in a country serves as barometer for measuring the stage of development of the economy. The mix of these financial intermediaries varies from country to country, reflecting the stage of development and the degree of sophistication of the country's economic agents (Abdullahi, 2003).

There could be fundamental bottle-neck that may inhibit the functioning of the institutions for growth and the achievement of core objectives in the drive towards enhancing and sustaining the economic and social imperatives of human endeavor (Somoye, 2008). Consequently, the banking sector, as an important sector in the financial landscape, needs to be periodically reviewed and reformed in order to enhance its competitiveness, confidence and capacity to engender financial stability, employment generation and overall economic growth indices. In a similar development, Oguma (1998) maintained that Monetary authorities with the strong support of the government in power is concerned with the need to ensure a sound banking sector and financial system capable of contributing to the effectiveness of monetary policy and financial intermediation to arrest the pervasive incidence of financial sector distress which had bedeviled the economy in the recent years.

The recent experience from the global financial crisis has further underscored the imperatives of countries to embark on financial/banking reforms on a regular basis. The world economy was hit by an unprecedented financial and economic crisis in 2007–2009 that resulted in a global recession. This crisis led to the collapse of many world- renowned financial institutions and even caused an entire nation to be rendered bankrupt. Thus, it is very necessary that the banking sector be healthy in order to fulfill its many expectations, chief among which is the provision of the financial catalyst for the attainment of economic progress, reduction in poverty and general improvement in the living standard of the people (Eboreime, 2009).

However, the problem of unemployment in Nigeria is a hydra headed phenomena going by its many-sided nature. Though unemployment has become a global phenomenon of the 21st century, the problem is becoming more worrisome each passing year in Nigeria. Unemployment is a very serious issue in Africa particularly in Nigeria (Umo, 1996). Unemployment and underemployment have characterized the Nigerian labour market. This has been compounded by frightening number of joiners as schools, polytechnics and universities churn out leavers in a geometric progression. This has impacted negatively on the rate of social vices like robbery, kidnapping, prostitution, human trafficking, child abuse and unfair labour practices experienced mostly by the

unemployed youths, which are other noticeable dimensions to the complexities of contemporary Nigerian employment dynamics. The need to avert the negative effects of unemployment on the economy has made the tackling of unemployment problems to feature very prominently in the developmental objectives of many developing countries. Emefiele (2014) posited that though Nigeria has witnessed impressive GDP growth rates over the past seven years. Yet, there is an absence of a corresponding reduction in the unemployment rate in Nigeria, which has risen to 23.9 percent in 2012 relative to 13.9 percent in 2000. Particularly worrisome is the rate of youth unemployment, which is too high. With an annual addition of 1.8 million Nigerians to the labour pool, the Central Bank cannot afford to sit idly by and concentrate only on price and monetary stability. Price stability can rarely be adjudged a goal in itself except cast against the ultimate objective of improvement in the quality of life.

The objective of this paper therefore is to review the past banking reforms and draw out the relationship if any between the reforms and unemployment situation in Nigeria. The paper is divided into five sections. Following the introduction in section I, section II covered the Conceptual, theoretical framework and the review of related works. In section III, the methodology of study is unveiled. Section IV will take the overview of banking reforms in Nigeria and the unemployment issues while section V presents the conclusion and recommendations of the study.

## **Conceptual Clarification of Terms**

### **Banking Reform**

Banking sector reform is a part and parcel of the country-wide policy reform. Reform connotes a mechanism to derive a desired change, a shift from one normative course of action to another in a social or economic system so as to control the operations and operators and enhance system performance. A reform could be self- imposed by system operators or mandated by regulatory authorities (Okafor, 2011). Banking Reform is defined as changes or shifts in banking processes, practices and policies imposed on banks by regulatory authorities like Central Bank of Nigeria (CBN).

According to Okafor (2012), two types of banking reforms have been identified, the systemic reform and the big- bang/major reform. A systemic reform refers to a reform initiative designed to resolve a combination of banking sector problems. Systemic reform often takes the form of packages with multiple targets such as banking liberalization, recapitalization, interest rate deregulation and credit operations. While the Big-bang banking reform connotes reform initiative that is expected to have a far-reaching impact or create huge compliance difficulties for example the consolidated exercise of 2004/05 initiated by the then, CBN Governor, Charles Soludo that required the banks to shore up their capital base from N2Billion to N25Billion within 18months or face liquidation.

### **Unemployment**

Morio and Zoctizoum (1980) as cited by Nwangwu (2014) defines unemployment as works available for employment whose contract of employment has terminated or been

temporarily suspended and who are without a job and seeking paid employment; persons never previously employed whose most recent status was other than that of employee, together with persons who had been in retirement, who were available for work during the specified period and were seeking paid employment; persons without a job and currently available for work who have made arrangements to start a new job at a date subsequent to the specified period; and persons temporarily or indefinitely laid off without pay. The International Labour Organization (ILO) defines unemployment as numbers of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work (World Bank, 2008).

According to the Federal Ministry of Employment, Labour and Productivity (FEMLP), unemployment figures include, those out of work, able to work and looking for a job, but work is not available to them. This definition is extended to include those un-employed persons who give up job seeking out of frustration and retrenched or laid off persons. The expression of these definitions is that persons who are without paid jobs to earn decent living are unemployed.

### **Theoretical Framework**

This work is theoretically anchored on the path-breaking works of McKinnon (1973) and Shaw (1973) on financial reforms. Prior to their studies there had been a general consensus that there is some positive relationship between the financial sector development and economic growth. Robinson (1952) had called the financial sector the handmaiden of economic development. In other words the financial sector is a passive sector that only responds to the needs of the real sector, and hence tends to grow as the real economy grows. However the works of McKinnon (1973) and Shaw (1973) came up with the argument that the financial sector can be more than handmaiden to the real economy, that in fact it can be the major driver of economic growth and development if it can only be relieved of its own fetters. They argued that when a financial sector is repressed then it can only respond passively to the real-sector needs. They argue that only when the financial sector is liberalized, there can be the major drive for economic growth and development. The authors noted that the features of a repressed economy are:

- (i) Administered interest rates both on deposits and loans
- (ii) Direct control of allocation of credit
- (iii) Ceilings on credit expansion
- (iv) Unduly restrictive entry rules into the financial sector especially into the banking industry.

### **Review of Previous Studies and the Application of the Theory to the Study**

Ibenta (2010) evaluated the banking reform programmes using quantitative and qualitative information to assess the effect of the reform on the soundness of the banking system and its role in economic growth and stability. The study revealed that the banking industry is still characterized by low aggregate lending to the productive sector, and that the

increased financial capacity of the banking sector following the N25billion consolidation programme in 2005 did not really induce efficient financial intermediation. The author noted that many of the Nigerian banks cannot be characterized as sound under the Capital adequacy, Asset quality, Management, Earnings, and Liquidity (CAMEL) ratings of the CBN. The study concluded that anxiety is still a familiar feature in the post consolidation banking industry in Nigeria and that the policy appeared not to have any perceptible effect on the real sector. The author stressed that there are other structural deficiencies affecting the country's finance-growth relationship and economic stability in general. The study recommended a comprehensive socio-economic reform that will include the establishment of specialized financial institutions that will enhance the productive sector's access to long-term funds.

Idowu (2012) reviewed the post consolidation performance of the banking sector to assess the extent to which the sector met consolidation objective using post development approach. It was found that while the alliance and marriage of seemingly compatible partners are settling down, the society is at the receiving end of the severance of labour and the enlargement of the pool of reserved army of the unemployed. The author concluded that the fall-out is double-edged for the economy and the society.

Oke & Azeez (2012) examined the effect of banking reforms on the economic growth of Nigeria from 1986 to 2010. The model used Gross Domestic Product (GDP) as proxy for economic growth being dependent on Interest Rate Margin (IRM), Credit to Private Sector (CPS), Savings (SAV) and Inflation (INF), all representing banking reform indices. The econometric techniques of Augmented Dickey-Fuller (ADF) Unit Root test, Johansen Co-integration test and Error Correction Mechanism (ECM) were conducted. The empirical result showed the presence of long run relationship among the variables. The overall findings revealed that banking reforms has not adequately and positively impacted on the economy.

Adelegan & Oriavwote (2014) examined empirically the relationship between Banking reform and Unemployment in Nigeria. The objective of the research is on modelling banking sector reform and unemployment in Nigeria. The co-integration approach was used to assess the data that covered the period between 1980 and 2011. Both the result of the static long run model and the short run dynamic model indicate that the banking sector reform in Nigeria has actually increased the level of unemployment in Nigeria. This has cast some doubts on the overall effectiveness of the banking sector reforms in Nigeria. The Error Correction Model (ECM) result showed a satisfactory speed of adjustment. The results thus recommend that banking sector reform should be tailored towards workers welfare and interest rate policy should encourage aggregate investment which will reduce the level of unemployment.

Nwagwu (2014) investigated the relationship between unemployment, poverty and insecurity of lives and properties in the country. The primary objective of the article was to ascertain whether the increased wave of violence in Nigeria resulted from unemployment and poverty. The study underscores that unemployment and poverty are



universal phenomena, not necessarily a peculiar characteristic of any particular segment of the society. The research revealed that unemployment and poverty have direct link to security challenges in Nigeria. The author recommended a radical reform in the areas of skill acquisition centres, agricultural development scheme for creation of employment opportunities and holistic restructuring of peace building mechanisms to curb these social ills and reposition the drifting nation to a more purposeful track.

Hassan (2013) empirically studied on curbing the unemployment problem in Nigeria through entrepreneurial development. Hassan, was motivated by the fact that unemployment problem like corrupt practices in procedure of employment in Nigeria is a hydra headed problem and thus requires the collective effort of all. The study made use of primary data sourced from 220 respondents in Kogi State through administering of questionnaire. Their responses were tested using appropriate statistical tools like the simple percentage and the Chi-square research techniques. The study revealed that the unemployment problem in Nigeria can be solved through entrepreneurial development and that government effort in this regard is not sufficient given the magnitude of the unemployed in Nigeria. This therefore calls for the involvement of the banking sector in stimulating access to loans and credits schemes which will be enough to stimulate small and medium term businesses. This will on the short run stimulate and improve the employment rate in the Nigerians' economy.

Aiyedogbon & Ohwofosa (2012) studied the Poverty and Unemployment in Nigerian economy. The study noted that Nigeria was ranked 158th on the human development index and that it is unacceptable. The study employed incidence of poverty as a function of unemployment, agricultural, manufacturing and services contributions to real GDP, population and inflation rate in which the growth rate of the variables were modelled. The results of the study revealed that unemployment, agricultural and services contributions to real GDP as well as population have positive determining influence on poverty level in Nigeria with only agricultural sector statistically insignificant. The study recommended among other things, that holistic effort should be made by governments at all levels to create jobs and arrest unemployment.

Alabi (2014) examined the youths' unemployment situation and its connection to growing crime wave in Nigeria. The author reviewed literature and adopted a methodology based on the consultation of journals and records. The study noted that Sub-Saharan Africa population is characterized with young people. Economic active population group constitutes an average of 53% of the total population of the region for the past two decades as reported by the World Bank (2011). Over 40 % of these youths are without jobs or stable economic income. Also, 64.1% and 50.7% of the region's total youth population live below U.S\$1.2 per day. The paper noted that the implications of characteristics of the population are very important. Youth unemployment is a global problem affecting both developed and developing countries alike. But while the developed countries are taking the threat seriously and restructuring their education and social

security systems to abate its growth and escape the eminent catastrophic retrenchments, Nigeria seem not to be doing enough.

## **METHODOLOGY**

The paper adopts a methodology of documentary analysis which involves the consultation of journals, records and a review of the relevant literatures. This enhances the analysis of materials which are secondary in nature and putting them in perspective.

### **An Overview of Banking Sector Policy Reforms in Nigeria**

According to Sanusi (2012), the four pillars of the banking reform agenda are as follows: Enhancing the quality of banks, establishing financial stability, enabling healthy financial sector evolution; and ensuring that the financial sector contributes to the real economy while Okafor (2011) pigeonholed Banking Reform objectives into five broad issues as follows: Attainment of the optimal growth of the banking sector, achieving a balanced structure of the sector, maximizing the contribution of Banking to national economic growth and development, promoting the productivity and efficiency of the banking sector and increasing the financial performance of the sector, particularly banking sector profitability.

Banking reform is an aged long practice in Nigeria. A review of developments in the Nigerian financial system indicates that the banking sector has undergone remarkable changes over the years, in terms of the number of institutions, ownership structure, as well as the scale of operations driven largely by the deregulation of the financial sector in line with the global trend (Ogunleye, 2005). Banking operation began in Nigeria in 1892 under the control of the expatriates and by 1945, some Nigerians and Africans had joined the banking business. As a result of the post war boom, by 1947 many wealthy Nigerians had established banks and in 1952, a total of 185 new banks had been registered out of which 145 of them in 1947 and by 1954 however, all but four of them had been distressed and folded up.

The first Banking ordinance which came up in Nigeria in 1952 as a result of the upsurge of banks within the period was however ineffective as there was no Central Bank in place to act as a lender of last resort or to effectively supervise the existing banks. This prompted the Federal Government then, backed by the World Bank Report to institute the Loynes commission in September 1958. The outcome was the promulgation of the ordinance of 1958, which established the Central Bank of Nigeria (CBN). This was indeed the first banking reform initiative recorded in Nigeria. This position was corroborated by Somoye (2008) when he posited that the first era of reform ever recorded in Nigeria banking industry was between 1959-1969. The author maintained that the reform was occasioned by bank failures during 1953- 1959 due mainly to liquidity of banks. Banks, then, do not have enough liquid assets to meet customers demand. There was no well-organized financial system with enough financial instruments to invest in. Hence, banks

merely invested in real assets which could not be easily realized to cash without loss of value in times of need.

The year 1959 was remarkable in the Nigeria Banking history not only because of the establishment of Central Bank Nigeria (CBN) but that the Treasury Bill Ordinance was enacted which led to the issuance of our first treasury bills in April, 1960. The period (1959–1969) marked the establishment of formal money, capital markets and portfolio management in Nigeria. In addition, the company acts of 1968 were established. This period could be said to be the genesis of serious banking regulation in Nigeria. Other major reform initiatives that followed suit were:

- The Indigenization policy reform which was introduced around 1970-1976 with the primary objective of promoting the active participation of Nigerians in the ownership and control of Nigerian Bank. The policy saw the enactment of banking Amendment act of 1969 which took effect from 1970.
- The Okigbo Committee Financial system reform initiative of 1976 which was saddled with the responsibility of deepening the intermediation capacity of Nigerian banks by meaningfully extending their services to under banked rural areas as well as achieving the integration of rural financial intermediation with the formal banking sector.
- The Structural Adjustment Programme (SAP) reform initiative of 1986 which largely relied on market forces for efficient allocation of resources with deregulation and liberalization as its main policy thrust. It induced a deregulated and competitive banking sector.

- The Bank prudential guidelines' Reform initiative of 1990  
A major reform initiative was undertaken in 1990 by the Central Bank of Nigeria (CBN) to standardize the assessment, management and reporting of bank risk assets. The prudential guidelines spelt out the following; Criteria for classifying loans ,the minimum loan loss provisioning for each category of loans and advances, conditions attached to interest recognition in respect of classified loans and the rules of classifying other assets of the bank. The ultimate justification for prudential guidelines is the failure of the market not only to reflect a depository's risk exposure, but more importantly to control such exposures. The objectives of prudential regulations are, therefore to control such exposures and to protect the interest of depositors and the financial system as a whole.

- The Universal Banking (UB) Model  
In 2001, the Central Bank of Nigeria under the headship of Joseph Sanusi adopted the universal banking policy thereby abrogating the classification of banks by the nature of their business that existed hitherto. This is a system that provides a level field for retail and wholesale bankers to interact. It breaks the boundary between retail and wholesale banking. Under the UB model, banking business was redefined to include not only the conventional banking activities but also to accommodate clearing, capital market and insurance services .Banks were seen as financial supermarkets and there was the clear abolition of the dichotomy of merchant and commercial banking structure.

- The Soludo Bank Consolidation Reform Agenda

According to CBN, prior to Bank consolidation, many of the Nigerian banks were characterised by: low or eroded capital base, large number of small banks with relatively few branches, poor rating of a number of banks, weak corporate governance, and insolvency as evidenced negative capital adequacy ratios and capital that has been significantly eroded by losses, gross insider abuses and oligopolistic structure of the banking system. The consolidation of the Nigerian banking system which started after the announcement of July 6, 2004 by the Governor of Central Bank of Nigeria had the 13 – Point agenda of banking sector reforms. The series of reforms that resulted from this Agenda culminated in sieving the “wheat” (viable) from the chaff (non-viable) banks with 25 new banks emerging from the 89 banks previously in existence. Other components of the reform agenda include:

- a) Phased withdrawal of public sector funds from banks
- b) Adoption of a risk-focused and rule-based regulatory framework
- c) Adoption of zero tolerance in the regulatory framework, especially in the area of data and information rendition/reporting
- d) The automation of the rendition processes of resource by banks and other financial institutions through the electronic Financial Analysis and Surveillance System (e-FASS).
- e) Establishment of an Asset Management Company as an important element of distress resolution.
- f) Promotion of the enforcement of dormant laws, especially those relating to the issuance of dud cheques and the law relating to the vicarious liability of the Board of banks in the case of bank failure
- g) Closer collaboration with the Economic and Financial Crimes Commission (EFCC) in the establishment of the Financial Intelligence Unit (FIU) and the enforcement of the anti-money laundering and other economic crime measures.
- h) Rehabilitation and effective management of the mint.

Soludo (2007) noted that after the consolidation reform, the surviving 25 banks were strong and reliable and could match the size of the first and second largest banks in South Africa in contrast to combined 89 banks in 2003 that were the size of 4th largest bank in South Africa. It is noted that the nexus between consolidation and financial sector stability and growth is explained by two polar views. Proponents of consolidation opined that increase in size could potentially increase bank returns, through revenue and cost efficiency gains. It may also, reduce industry risks through the eliminations of weak banks and create better diversification opportunities. Somoye (2008) argued that consolidation could increase banks’ propensity towards risk taking through increases in leverage and off-balance sheet operations. An early view of consolidation in banking was that it makes banking more cost efficient because larger banks can eliminate excess capacity in areas like data processing, marketing, or overlapping branch networks. Cost efficiency also could increase if more efficient banks acquired less efficient ones.

- Sanusi Lamido Sanusi (SLS) Banking Policy Reforms.

According to CBN, as a result of the global financial and economic crises which adversely affected the Nigerian economy particularly the capital market and oil and gas sectors, it was observed that Nigerian banks had huge concentration of exposure to these two sectors in addition to general weakness in risk management practices, poor corporate governance practices and signs of illiquidity. In furtherance of CBN's statutory duty, SLS rolled out the following reform agenda to address the observed lapses.

1. The Bailout option of troubled Banks and appointment of new Management: This saw the injection of a total sum of N620Billion in the form of Tier II capital by the CBN into the eight banks adjudged to be critically ill after the stress test of an industry wide audit undertaken by CBN & NDIC in 2009. The affected banks were Afribank plc, Bank PHB, Equitorial Trust Bank, Finbank plc, Intercontinental Bank plc, Oceanic bank plc, Spring Bank plc and Union bank plc. The capital injection was complimented by the eventual dismissal of the CEOs and the Executive management of the affected banks and their replacement with CBN appointed management. It was indeed a critical watershed.

2. The Adoption of common year end / International Financial Reporting Standard (IFRS): The Central Bank of Nigeria mandated all banks to adopt December 31<sup>st</sup> as their financial year end. The apex Bank claimed that one of the reasons for the crises in some Nigerian banks had to do with inaccurate financial reporting. It observed that some loss-making financial institutions not only declared profits but paid dividends using depositor funds. The multiplier effect of such actions on the future financial performance of a bank is at most imaginable. With the common year-end and the adoption of International Financial Reporting Standards, the observed lapses would be addressed. A common financial reporting system framework will facilitate the comparison of a banks' financial performance over time and against that of other banks and the industry itself. Financial system integrity will definitely be more holistic and reliable. Following the approval of the Federal Government, CBN had issued circulars for banks to comply with IFRS reporting and banks have since complied.

3. The Repeal of the Universal Banking (UB) Model in November 15, 2010: The UB adopted in 2001, allowed banks to diversify into non-bank financial businesses. Following the consolidation programme, banks became awash with capital. CBN argued that some operators abused the laudable objectives of the UB Model with banks operating as private equity and venture capital funds to the detriment of core banking practices. To address the observed challenges, the CBN reviewed the UB Model with a view to directing banks to focus on their core banking business only. Under the new model, licensed banks are authorized to carry the following types of business: Commercial banking (with regional, national and international authorization); Merchant (investment) banking; Specialized banking (microfinance, mortgage, non-interest banking (regional and national); and Development finance institutions.

4. The Establishment of Asset Management Corporation of Nigeria (AMCON): AMCON has a share capital of N10Billion fully subscribed to by Federal Government and held in trust by the CBN and the Ministry of Finance incorporated in equal proportion of

50% each. The concept behind the Corporation is a good bank-bad bank approach where AMCON will purchase the toxic assets from the banks and the banks after the purchase will look clean. The law that established AMCON grants it broad powers to purchase, maximize value of and to eventually sell the non-performing loans. This is to provide an acceptable platform for relieving banks non performing (toxic) assets and should provide the much needed impetus for the revival of the Nigerian capital market.

5. The Issuance of a Revised Prudential Document in May 2010: Based on the observed inadequacies of the bank prudential document introduced in 1990 to enhance the quality of the bank., an updated version was issued to address the various aspects of banks' operations, such as risk management, corporate governance, Know Your Customer (KYC) and anti-money laundering/ counter financing of terrorism and loan loss provisioning. The guideline is expected to address the peculiarities of different loan types and financing different sectors.

6. The fixation of tenures for Chief Executive Officers and Directors of Banks: The CBN regulation regarding the tenure of office of the Banks chief executives stipulated that all CEOs who had served for 10 years as at July 31, 2010, to cease functioning in that capacity. The guidelines according to CBN applied notwithstanding the terms of engagement or the provisions of the Memorandum and Articles of Association of any bank. Banks were advised to kick-start a succession programme that would be supervised by their respective boards and monitored by the CBN. Where a bank is a product of a merger, acquisition, takeover or any other form of combination, the CBN said that the 10-year period shall include the pre and post combination service years of the CEOs, provided that the bank in which he previously served as CEO was part of the new bank that emerged after the combination . The apex bank argued that it took the decision in order to enthrone good corporate governance practices in Nigerian banks; institutionalize the arrangement of the appointments of bank CEOs; ensure that banks developed good succession plans, and also ensure that banking institutions were not personalized.

7. The unveiling of Non-interest (Islamic) Banking in June 2011: The CBN rolled out the modalities of Islamic banking operations and maintained that its introduction in Nigeria is expected to herald the entry of new markets and institutional players thus deepening the nation's financial markets and further the quest for financial inclusion. Under the Islamic Jurisprudence, depositors' returns are managed not by a predetermined fixed interest rate, but by the size of the bank's return on its investments. When disbursing loans, the bank functions as an investment bank, whereby both the investor and the bank not only share the benefits of high returns on investments, but also share the losses. If return on investment is high, the bank will take a percentage of the investor's profits. This is impossible for conventional banks, which just receive the interest that they themselves fix at the time the loan was made not minding whether the loan receivers made profit or loss. Non-interest banking can be traced to some young Muslim economists in late forties who believed banking systems should be reorganized on the basis of profit sharing rather than interest rate. They recognized the need for commercial banks but claimed it has evil of interest in their enterprise and proposed a banking system based on that concept.

8. The Introduction of Uniform Bank Account Numbering System : Banks were compelled to change their customers account numbers to ten (10) digits number before May

31, 2012 failure which will attract sanction. The banks were giving nine months to implement the Nigeria Uniform Bank Account Number (NUBAN). The regulator maintained that the policy will promote best practices in the account number scheme and eliminate many of the problems associated with the non-uniform account numbering system. By this development, only instruments, papers and electronic data that carry NUBAN codes and pass the NUBAN validation test are allowed in the automated clearing system. At the outset, the CBN/NUBAN had challenges of resolving the observed problems with the electronic payments as many of such cases were related to specification of wrong beneficiary account.

9. The Nationalization of Banks in August 2011: The CBN announced the revocation of the licenses of Afribank, Springbank and BankPHB and their taken over by Nigeria Deposit Insurance corporation (NDIC) which created Bridge banks in their places. The revocation which was based on the in house assessment of the performance of the affected banks by the CBN came ahead of the September 30<sup>th</sup> 2011 deadline giving by it for the rescued banks to recapitalize. In just two days the banks changed hands and were completely rebranded. The Nationalization of the banks became necessary according to the Regulator because the affected banks had failed to show enough commitment to the process of recapitalization since the new management imposed on them by CBN in August, 2009 came on board. The assets and liabilities of the former banks were taken over by the bridge banks as advised by the CBN. The interventionist approach was for the bridge banks to run and resuscitate the ailing banks over a temporary period of 3 years. The three banks were Mainstreet bank for Afribank, Keystone bank for Bank PHB and Enterprise bank for Spring bank. The bridge Banks will operate the banks until new investors are found to capitalize them in conjunction with Asset Management Corporation of Nigeria (AMCON).

10. The Introduction of Cash-less Policy in 2013: The CBN claimed that the cash-less policy initiative is designed to reduce the level of cash based transactions and to expand the e-banking transactions thus bringing about substantial reduction in the cost of cash management in the economy.

### **The Unemployment Issues in Nigeria.**

Nigeria as a developing economy is popularly known for its high rate of unemployment, so for any policy initiative or reform agenda to be meaningful, it should be targeted at addressing this ill rather, the CBN policy reform initiatives have further aggravated the situation creating a swell in the number of jobless youths in the country. The resultant effect of this is the rapid increase in poverty, increased crime and criminal acts with a disastrous reverberating effect on the economic growth and development of the country.

The unemployment rates in Nigeria have been growing by leaps and bounds across the states in Nigeria. The table 1 on Unemployment rates by states in Nigeria shows the growth of unemployment in which Zamfara (42.6%) and Bauchi (41.4%) were among the states with the highest level of unemployment in Nigeria while Osun (3%) and Kwara (7.1%) recorded the lowest in 2011. Generally, Unemployment rate in Nigeria worsened from 12.6% in 2002 to 23.9% in 2011 which is about 100% increase and sadly enough this period coincided with Soludo bank consolidation reform and that of Sanusi Lamido Sanusi (SLS) reform periods.

**Table 1: Unemployment Rates by states in Nigeria 2002- 2011**

| State    | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------|------|------|------|------|------|------|------|------|------|------|
| Abia     | 14.8 | 11.4 | 9.7  | 7.9  | 13.5 | 10.9 | 14.5 | 14.5 | 15.5 | 11.2 |
| Adamawa  | 12.9 | 11.9 | 16.7 | 21.4 | 17.9 | 11.9 | 29.4 | 29.4 | 31.4 | 18.4 |
| A/Ibom   | 12.3 | 14.4 | 14.4 | 14.4 | 15.3 | 13.5 | 34.1 | 34.1 | 36.1 | 18.4 |
| Anambra  | 6.6  | 9.1  | 9.5  | 9.8  | 10.8 | 11.1 | 16.8 | 16.8 | 17.8 | 12.2 |
| Bauchi   | 10.4 | 20.5 | 25.1 | 29.7 | 23.9 | 7.3  | 37.2 | 37.2 | 39.2 | 41.4 |
| Bayelsa  | 3.5  | 7.1  | 14   | 20.9 | 16   | 6.9  | 38.4 | 38.4 | 40.4 | 23.9 |
| Benue    | 8.2  | 4.8  | 11.7 | 18.6 | 10.8 | 67.4 | 8.5  | 8.5  | 9.5  | 14.2 |
| Borno    | 6.4  | 0.8  | 3.6  | 6.3  | 5.8  | 7.8  | 27.7 | 27.7 | 29.7 | 29.1 |
| C/River  | 7.9  | 12   | 11.5 | 11.1 | 16.9 | 11.8 | 14.3 | 14.3 | 15.3 | 18.2 |
| Delta    | 14.9 | 17.1 | 10.8 | 4.5  | 13.8 | 18.9 | 18.4 | 18.4 | 20.8 | 27.2 |
| Ebonyi   | 2.8  | 16.7 | 11.8 | 7    | 10.9 | 11.5 | 12   | 12   | 13   | 23.1 |
| Edo      | 4.8  | 3.1  | 6.5  | 9.9  | 8.6  | 5.1  | 12.2 | 12.2 | 13.2 | 35.2 |
| Ekiti    | 17.5 | 8.2  | 7.9  | 7.5  | 8.7  | 15.6 | 20.6 | 20.6 | 22.6 | 12.1 |
| Enugu    | 15.2 | 16.5 | 21.6 | 27.4 | 20   | 11.5 | 14.9 | 14.9 | 15.9 | 25.2 |
| Gombe    | 13.4 | 7.6  | 15.2 | 22.8 | 15.6 | 10.5 | 32.1 | 32.1 | 34.1 | 38.7 |
| Imo      | 19.9 | 22.1 | 19.3 | 16.5 | 21.5 | 7.6  | 20.8 | 20.8 | 22.8 | 35.9 |
| Jigawa   | 6.1  | 20.5 | 19.8 | 19.1 | 21.6 | 17.4 | 26.5 | 26.5 | 28.5 | 35.9 |
| Kaduna   | 8.4  | 19.6 | 15.9 | 12.1 | 14.1 | 5.9  | 11.6 | 11.6 | 12.6 | 30.3 |
| Kano     | 12.8 | 25.9 | 22.5 | 19.1 | 19.4 | 12.7 | 27.6 | 27.6 | 29.6 | 21.3 |
| Katsina  | 10.4 | 20.3 | 22.1 | 23.8 | 19.3 | 5.8  | 37.3 | 37.3 | 39.3 | 28.1 |
| Kebbi    | 12.3 | 19.8 | 19.9 | 19.9 | 15.2 | 11.8 | 12   | 12   | 13   | 25.3 |
| Kogi     | 19.9 | 14.9 | 11.8 | 8.7  | 12.5 | 16.5 | 19   | 19   | 21   | 14.4 |
| Kwara    | 8.8  | 5.4  | 4.2  | 2.9  | 7.5  | 16.4 | 11   | 11   | 12   | 7.1  |
| Lagos    | 8    | 25.6 | 16.1 | 6.5  | 15.5 | 10.2 | 19.5 | 19.5 | 20.5 | 8.3  |
| Nasarawa | 1.6  | 5.1  | 6.9  | 8.7  | 8.1  | 7.6  | 10.1 | 10.1 | 11.1 | 36.5 |
| Niger    | 6.3  | 6.7  | 3.5  | 0.2  | 3.6  | 17   | 11.9 | 11.9 | 12.9 | 39.4 |
| Ogun     | 9.2  | 1.3  | 1.9  | 2.5  | 2.3  | 3.9  | 8.5  | 8.5  | 9.5  | 22.9 |
| Ondo     | 16.8 | 7.3  | 6.8  | 6.2  | 6.7  | 5.8  | 14.9 | 14.9 | 16.9 | 12.5 |
| Osun     | 1    | 0.4  | 1.2  | 1.9  | 2.7  | 6.3  | 12.6 | 12.6 | 13.6 | 3    |
| Oyo      | 7    | 0.8  | 3.1  | 5.3  | 4.3  | 6.5  | 14.9 | 14.9 | 15.9 | 8.9  |
| Plateau  | 11.8 | 0.4  | 1.6  | 2.8  | 2.9  | 8.7  | 7.1  | 7.1  | 8.1  | 25.3 |
| Rivers   | 6.6  | 15.3 | 11.2 | 7    | 25   | 4.7  | 27.9 | 27.9 | 29.9 | 25.5 |
| Sokoto   | 4.1  | 4.9  | 4.5  | 4.1  | 6.4  | 12.1 | 22.4 | 22.4 | 24.4 | 17.9 |
| Taraba   | 16.8 | 23.8 | 13.6 | 3.4  | 14   | 5.9  | 26.8 | 26.8 | 28.8 | 12.7 |
| Yobe     | 15   | 12.1 | 10.7 | 8    | 13.6 | 19.9 | 27.3 | 27.3 | 29.3 | 35.6 |
| Zamfara  | 46.4 | 71.5 | 61.3 | 51.1 | 50.8 | 12.8 | 13.3 | 13.3 | 14.3 | 42.6 |
| FCT      | 14.4 | 5.3  | 5.9  | 6.5  | 16.4 | 16.4 | 21.5 | 21.5 | 23.5 | 21.1 |
| Nigeria  | 12.6 | 14.8 | 13.4 | 11.9 | 13.7 | 14.6 | 19.7 | 19.7 | 21.5 | 23.9 |

Source: NBS (2010); CBN Annual Report and Statement of Accounts ( Adapted from Aiyedogbon & Ohwofosa (2012)



Reviewing the performance of the banking industry before and after consolidation reform, it was found that while the alliance and marriage of seemingly compatible partners are settling down, the Nigerian society is at the receiving end of the severance of labour and the enlargement of the pool of reserved army of the unemployed. The fall-out therefore is double-edged for the economy and the society. Alo (2006) quoted wall street journal and Heritage foundation as rating Nigeria economy as worse off in August 2006 than it was the previous year and described it as "repressed" measured on index of Economic Freedom. The rating for 2011 is no better. Nigeria ranked 106 and scored 56.8% on index of economic freedom for 2010 and therefore grouped as "unfree" unlike in the pre consolidation era. To be free means improvement in the overall quality of life and promotion of social and economic life (index of Economic Freedom, 2011). There is the need to manage people well if the objectives of recapitalization are to be met in concrete terms (Idowu , 2012).

Besides, those workers who lost their jobs in the thirteen non- consolidated banks during Soludo-led banking reforms, there were and still job losses even in those banks that consolidated either through merger or acquisition. With the heart breaking reform initiatives orchestrated by the Sanusi Lamido Sanusi, it was estimated that over 10,000 bank workers, cutting across several old and new generation banks lost their jobs and that at the end of the exercise more 20,000 of the sector's more than 100,000 workforce would have been forced back to the labour market. A rundown of the pruning exercise showed that Intercontinental Bank Plc laid off 1500 workers, apart from 26 top managers; Oceanic Bank Plc disengaged 1500; Wema and Spring banks retrenched 500 and 200 workers respectively (Otuchikere and Ifeakandu, 2010, Okafor, 2013).

Okafor (2009) argued that partly due to the ambiguity of the reform policies and in a bid to remain relevant, some management committed their organizations into merger arrangements that could not stand the test of time. The reality is that most of such arrangements collapsed few years after. A case in point is the Spring Bank situation where the marriage of strange bedfellows (the merger of organizations with different focus and conflicting interests) set the directors against themselves. The author maintained that the greatest challenges facing the consolidated banks are on the issues of employees' remuneration, staff harmonization and placement as well as job security.

According to Okhomina (2006) as cited by Inyang, Enuoh & Ekpenyong (2014), the Trade Union Congress (TUC) is worried about the retrenchment occasioned by the post-consolidation of banking ----- the exercise is unnecessary, unjustified and causing more miseries to homes and called on employers of labour in the consolidated banks to exercise caution and stop the retrenchment fever in the banks. The authors further noted from the works of Ugbaka (2004), Adeyemi (2005) and Omokhodion (2007) that a number of issues have arisen as a result of the banking sector reforms. In achieving the objectives of the bank consolidation, quite a number of "risk factors" or issues were involved both during and after consolidation which have implications for industrial

relations in the banking sector. The human risk factors included: downplaying of employees' welfare in mergers and acquisitions, dealing with employee resistance to change under the new reality, loss of job commitment, redundancy, and employee turnover with concomitant loss of key talents, treating human capital as cost, imbalance pay setting and post merger fits. About 30,000 employees of the banks lost their jobs in the last bank consolidation exercise of 2005.

## **CONCLUSION**

The paper reviewed the past banking reforms and attempted to draw out the relationship between the reforms and unemployment situation in Nigeria. The banking sector policy reforms have been observed to be driven by some major considerations, chief among them are distress containment, recapitalization, corporate governance, financial deepening, enhancement of operational efficiency, promotion of competition and price stability. The Central Bank of Nigeria (CBN) has pursued several reform agenda which have served the economy relatively well in terms of creating macroeconomic stability however there still exists much room for improvement in the policy environment. Nigeria has witnessed impressive Gross Domestic Product (GDP) over the years yet there is an absence of a corresponding reduction in the unemployment rate in the country.

It should be noted that there is a clear link between policy input in terms of design package and implementation on the one hand and policy outcome or performance on the other. Therefore, good policies if faithfully implemented will yield good results but there are no quick fixes and no magic wands in management of difficult economic problems. Nigeria as a developing economy is known for its high rate of unemployment with its attendant negative consequences. For any economic policy initiative or reform agenda to be meaningful, it should be targeted at addressing this ill.

The study concludes that past banking sector reforms have not addressed the unemployment situation in Nigeria rather the unemployment rate has worsened with the implementation of the various banking reforms. The paper recommends that banking reforms should be based on legal principles and sound logical reasoning and not by sheer instincts. The paper further recommends that banking reforms should not only focus on liberalization of banking business and safety of the system but proactively positioned to pursue the goal of unemployment reduction. Banking reform initiatives should incorporate adequately the goal of increased employment generation and requisite performance measures put in check to ensure that this goal is attained in order to improve the socio-economic wellbeing of the people.

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# **ADDRESSING THE CHALLENGES OF UNEMPLOYMENT IN NIGERIA**

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## **Abstract**

The phenomenon of unemployment in Nigeria has been examined by this paper. The study in addition to diagnosing the episode, unfolds a number of factors that account for the phenomenon and of course the great threat it poses to the country. Both past and present anti-unemployment policy measures in Nigeria were assessed and the results revealed that a number of factors inhibit their performance. As a result of this finding the paper came up with some useful recommendations to address the challenges posed by unemployment which included the institutionalization of true federalism and resource ownership. Additionally the restructuring of the educational system and the provision of enabling environment were given the topmost priority. The study used structural, cyclical and frictional unemployment theory. The survey method was equally employed in the study. The research applied both empirical and theoretical methods to guide to the study. The research has a number of useful recommendations and eventually ended with a conclusion.

## **Introduction**

One of the greatest challenges of the Nigerian economy in the most recent time is the threat posed by unemployment which has been on the increase over the years. From the inception of Nigeria as a nation, the subject of unemployment has always been an issue of great concern to the economists, policy makers, economic managers, government and every well meaning Nigerian alike. This is as a result of its devastating effects on the individuals, the society and the economy at large. Since then, well meaning Nigerians have expressed concern and worry over the threat of the monster (unemployment). Solution to this chronic disease has remained a herculean challenge.

The concern, worry and frantic efforts towards ameliorating or eradicating this situation through different policies, notwithstanding, the sad note is that many economies have been devastated by unemployment. In spite of all efforts, this situation has not been better rather it has continued to worsen given the global economic crisis which probably is most deplorable in Nigeria.

This paper examines the various efforts made towards the minimization of unemployment problem in Nigeria-having special interest on economy. The incidence of

unemployment in Nigeria has currently brought a serious threat to the entire country. This ugly situation needs urgent attention.

### **THEORETICAL ISSUES AND DISCUSSIONS ON UNEMPLOYMENT**

This paper considers the relevant aspects in line with structural, cyclical and frictional and Keynesian theories of unemployment; disguised or under-employment cases inclusive. Cases of long term unemployment, duration dependence and unemployment persistence were reflected.

According to Lindbeck, (1999), frictional unemployment may be regarded as subset of structural unemployment, mainly reflecting temporary unemployment spells as a result of job search and matching difficulties in connection with a number of quits, new entries to the labour market, and job separation because of employees' dissatisfaction with the individual workers. Ordinarily, this kind of unemployment does not usually pose much threat to individual's welfare, as it is temporary in nature. (Bello, 2003:4).

The situation of unemployment in Nigeria seems to have graduated from frictional unemployment to long term unemployment which in turn has resulted to a stable state of unemployment. This situation is often described as equilibrium unemployment. Bello, (2003:4), is of the view that equilibrium unemployment is inimical to the economic system as the excess of labour supply over demand often lasts for a long time. This to a large extent describes the so-called structural unemployment. Such stage of stability of unemployment under a structural setting usually remains undisturbed until certain economic parameters undergo some changes. Bannock (1998) defined structural unemployment as a mismatch of job vacancies with the supply of labour available, caused by shifts in the structure of the economy. The issue of unemployment in Nigeria is a state of non-availability of job for those thrown out of jobs and for the new entrants.

Cyclical unemployment that is associated with cycles surfaces during the periods of economic depression and disappears when there is troughs and booms. Cyclical unemployment differs from structural and frictional unemployment by basically being tied to short-term economic fluctuations (Lindbeck, 1999). According to Bannock (1998), cyclical unemployment is an unemployment resulting from lack of aggregate demand in a downswing in the business cycle.

Since the collapse of oil boom in the late seventies, the Nigerian economy has generally remained in a passive state notwithstanding that at some other periods there were oil price surge.

The classical case of unemployment is premised on the inflexibility of wages. Given wage-price flexibility, there are automatic forces in the economic system that tends to maximize full employment and produce output at that level. (Bello 2003:5)

So, the problem is not that of wage price inflexibility or wage underbidding declination but that of poor economic growth that is unable to sustain the population and labour supply growth rate. (Bello. 2003:6)

The Keynesian economists see unemployment as a situation in which the number of people able and willing to work at prevailing wage exceeds the number of jobs available, at the same time; firms are unable to sell all the goods they would like. (Bannock, 1998). With critical analysis, it could be observed that the Keynesian unemployment largely applies to the situation in Nigeria.

This ugly situation in Nigeria is not without some factors. One of such factors responsible for the ugly trend is the unpatriotic taste of many Nigerian consumers. The Government is not exempted as it gives foreign firms freedom to operate at the expense of the domestic ones. For instance Nigerian government has no control over foreign tastes. Virtually all commodities are accommodated and the result of such porosity (non-restriction) is that the domestic producers are faced with the problem of low demand that naturally forces them to lower output and this in turn will lead to the reduction of work force. This situation extends to pushing such firms especially the small ones out of the market and the result is increase in unemployment. This accounts for most of the firms that have been forced into extinction in the country.

Under and disguised unemployment are associated with a situation where workers are under paid or secure jobs that do not measure up with their certificates. Some do some jobs to earn a living not necessarily because that is what they supposed to do. For instance a university graduate may opt to involve himself in commercial driving where he is paid at the end of the month. Long-term unemployment is a disturbing state of unemployment where the unemployed remains in the labour market for too long and thereby reducing his chances of job finding. This core problem of unemployment in Nigeria has forced many graduate job seekers to engage in under paid and menial jobs. This is one nature of unemployment situation in Nigeria and this ugly situation has its consequences.

### **THE NATURE AND CONSEQUENCES OF UNEMPLOYMENT IN NIGERIA**

The unrealistic nature of the available financial statistics on unemployment, compounds the problem of the phenomenon. Many unemployed Nigerians do not see the need for registration because they do not see anything coming out of such exercises. The result of such attitude is that there exists a sharp disparity between the official statistics on the phenomenon and the real state of the matter. The statistics are most often based on assumption and exaggeration rather than facts and figures.

The problem of disguised unemployment in Nigeria is quite acute. This explains why official unemployment sharply differs from the true state of unemployment or from unofficial statistics available. The recorded figure for unemployment significantly understates the number of people who are actually willing to work at the existing set of wage rate. (Taiu 2003:8). The official statistics released by the Federal Office Statistics (FOS) presents a low rate of unemployment as it did not take into consideration such group that refuses to register with the employment exchange offices in Nigeria. Their reason for not registering could have been as a result of poor job placements or lack of special benefits for other registered unemployed or both. The fact remains that this non-

registration of unemployed for whatever reason has faulted the unemployment statistics in Nigeria.

Another area that needs attention while discussing unemployment in Nigeria is the issue of underemployment. This is a situation where labour is not matched with pay. Again, if an employee is given a job that does not allow him make full use of his skills and abilities, such employment could be termed underemployment. This situation is rampant in Nigerian system especially among low skilled workers and casual labourers as well as in formal sector. As a result, work is rationed. For instance in some schools owned by Government, two teachers can be deployed to man a class of twenty five pupils. There is this issue of shifting, where there are up to three shifts in a day morning, afternoon and night yet work done during these shifts could conveniently be done by one person. In the informal sector, the situation is worse. A young man who has finished his apprentice contract but stays with his master either to be paid a meagre amount at the end of a month or a job or sale is under employed. The major unemployment in Nigeria therefore, lies with these two factors, disguised and underemployment. Contributing to the discussion on underemployment in Nigeria, Tairu (2003:8) asserts: "Generally, in Nigeria, the official period of working time per week is forty hours for which many workers fall short of due to non-availability of work. In some instances, available work is rationed (work sharing) especially among the low skilled workers and casual labourers even in the formal sector. The situation in the informal sector tends to be worse". He emphasized that the major problem we have in Nigeria is in terms of disguised and underemployment.

The deteriorating feature of long unemployment in Nigeria can be traced to early 1980s. This is a situation where job seekers remain in labour market for years without the route of escape at sight. This situation is worsened given the fact that some Nigerians abroad due to the global economic melt down are coming back to join the hopeless labour market. This situation of long unemployment has made some youths in the labour market to give up hope having been there for a number of years and on the alternative took up any means of livelihood –the legal implications and consequences notwithstanding.

## **FACTORS RESPONSIBLE FOR UNEMPLOYMENT IN NIGERIA**

### **A. Poor enabling/security environment.**

The economic enabling environment in Nigeria over the years has been poor and this in turn poses serious challenges to employment in Nigeria. This situation coupled with poor security environment has hampered investment drives and the after effect is the reduction in the prospects of employment generation. Many job seekers who made efforts to embark on self employment were forced to wind up unceremoniously as a result of hostile environment which results from poor economic enabling environment and insecurity. Lack of infrastructures also contributes to the problem of these unemployed.



## **B. Poor Economic Growth Rate**

The major and fundamental factor that accounts for the high rate of unemployment in Nigeria economy is the poor economic growth that has characterized the system over the years.

Tairu (2003:11) is of the opinion that among all the many determinant factors of unemployment, the most critical of them all is the weak economic growth. The situation in the country since part of eighties to date is hostile to economic growth and development. The clear evidence of high level of indiscipline, such as corruption, mismanagement of public funds, harsh economic policies and the insecurity of the Nigerian environment coupled with long-term despotic rule of the military among other factors have damaged the spirit of economic growth for a long time. Analysts described the economic situation in Nigeria in the nineties as a lost decade in terms of economic growth. This terrible situation accounts for the worsening scenario of unemployment over the years.

## **C. The Demise of the Small Scale and Cottage Industries**

This is another crucial factor that has elicited unemployment problem overtime and it operated in both formal and informal sectors. For instance, when the structural Adjustment Programme (SAP) was introduced in September 1986 it came with liberalization, deregulation and the devaluation programme of the domestic currency; the result was the collapse of many teething domestic firms. In turn, many lost their jobs and this increased unemployment statistics. There is no gainsaying that these policies were designed to facilitate the growth of the Nation's Such as Enugu coal mining, Ajiokuta steel industry, Nkalagu Rice Mill, Asaba Textile Industry, Avop Anambara Vegetable Oil, Easternchase, Aluminum, Ogbede, Ada Rice, Aba Textile Industry, Ozubulu Methrological Company, Ekenedilichukwu, Farm to mention but a few economy but due to the structure of the Nigerian economy, some of the policy packages became outrightly inimical to the system given their wrong forming.

## **D. Educational Bias**

There is the wrong impression about technical and vocational studies. According to Damachi (2001), there is an enduring societal biased attitude against technical and vocational education. What Nigeria is concerned with in most cases is the certificate before a job seeker is employed. To this effect, many people have got their certificates either by hook or crook. Little or no emphasis is on the practical skills. Again, acquisition of practical skills in institutions of learning will be advantageous for self employment. This ugly trend is responsible for graduates instead of employing themselves are at the mercy of the government and other unprofitable private organizations for jobs. A university graduate can earn five thousand Naira (₦5,000) per month and is happy to say that he has secured job because many are out there looking for job.

### **E. Poor Attitude To Agriculture**

In Nigeria, before the discovery of crude oil, Agriculture gave employment to over 60 percent of the population. But as soon as the oil was discovered, the attention gradually shifted from Agriculture to oil which does not have the employment capacity as Agriculture did. This amounts to increase in the unemployment market especially with the yearly turnover of graduates.

## **THE EFFECT OF UNEMPLOYMENT**

Unemployment in Nigeria like any other country of the world especially in the sub-Sahara African countries has adverse effect and untold consequences on the citizens as well as the economy at large. It has equally posed a number of challenges to the survival of the nation. The unemployed have particularly suffered its menace while the spread of its effects knows no bounds. The following are such effects and their attendant consequences: armed robber, harlotry, political thurgry, which in turn results to lose of lives, properties, suicide, politics with bitterness etc.

### **(a). Psychological Effect**

Unemployment problem has a serious negative psychological effect on the affected people.

Machine and Manning (1998) assert that in a cross sectional regressions, there is clear evidence that unemployment is associated with lower levels of psychological well-being. According to Clark (1996), the unemployed is somewhat worse than being divorced in its effect on subjective measures of personal well-being. Unemployment gives one a fake humility. They see themselves as inferior in the presence of their peers. They are usually forced introverts. Not that, that is their real way of living but unemployment condition forced them to recoil.

### **(b). Poverty Increase**

There is no gainsaying that poverty and unemployment are close associates. Unemployment leads to increase in poverty. If job seekers are employed, invariably poverty will be drastically reduced. For instance, if some of such job seekers, are gainfully employed, they can help the less privileged thereby reducing poverty. Reverse becomes the case when there is unemployment but they and those they could have helped become poor.

### **(c). Social Crimes**

Available literature on social crimes in Nigeria reveals that over 60% crimes is caused by unemployment. Such crimes include: armed robbery, theft, rape, kidnapping, assassination, suicide e.t.c. It is a news to hear that a civil servant, public servant, a person working in a good company was involved in armed robbery but it is no longer a news for an unemployed graduate. A civil servant who is busy in his office or a trader busy

attending to customers will not have the time to think not to talk of executing crime. So unemployment is one of the core causes of rampant crime in Nigeria today.

### **Economic Growth.**

Unemployment equally and adversely affects the economy in Nigeria. Just as optimum utilization of human resources increases and improves economy, so is the reverse if the opposite. Non- proper utilization of human resources (unemployment or underemployment) will negatively influence the economy. Social vices as noted above which include perpetration of violence as well as general insecurity, all threaten the economic growth and development of the country. To empower human is to empower economy and vice versa

### **EFFORTS TO IMPROVE ON UNEMPLOYMENT SITUATION IN NIGERIA**

Nigeria Governments, organizations and even individuals are not ignorant of the adverse implications of unemployment to a development since independence in 1960. The following are some of the measures toward resolving unemployment problems in Nigeria.

#### **i. The Ashby commission, National Manpower Board (NMB) and Unemployment.**

The systematic national development planning dates back to 1946 with the ten-year plan of development and welfare. The first systematic plan indicated that the “inadequacy of administrative machinery to provide the high level manpower implementation was a contributory factor to the ineffectiveness of the country’s first attempt at development planning”. Nigeria did not want to be exempted from the trend of comprehensive national development planning which became a common phenomenon then. The trend exposed the crucial role as well as the need to develop manpower. Another factor that necessitated the manpower development planning was the prevailing manpower problems which include shortage of trained persons in various professions and the excess of labour particularly the school leavers; and unemployment. The above factor resulted in the appointment of the Ashby Commission in 1959. This commission was to look into Nigeria’s needs in the field of post certificate and higher education during the two decades 1960-1986 (Damachi.2001).

This Commission in addition to others made a recommendation for the establishment of the National Manpower Board (NMB). This board was charged with the responsibility of employment policies which included measures to deal with unemployment and the utilization of optimal power resources. In summary, the board was taxed with the responsibility of finding a lasting solution to problem of manpower shortages, manpower surpluses which was shown by unemployment and underemployment. The board no doubt has made valuable contributions to human development institutions such as industrial Training Fund but there still exists wide gap between the board’s achievement and its expectations which shows in the high number of both skilled and unskilled job seekers. This can be attributed to the harsh policy environment under which the board is operating.

**ii. National Development Plans and Unemployment Control.**

Nigeria Government was not unconscious of the unfriendly and devastating consequence of unemployment on the economy hence its reduction was made one of the cardinal objectives in the national development plan. Employment and skill training to meet the dynamic needs of the economy were paramount in the objective. As a result of this objective, a number of institutions for development such as the Centre for Management Development (CMD) National Directorate of Employment (NDE), the Industrial Training Fund (ITF) and others. The level of importance attached to the objective notwithstanding, commitments towards achieving the said set goals were grossly inadequate and beyond expectation. This is no news as it is almost a tradition that no good development plan has ever been carried to the letters in Nigeria. There was little commitment to the administrative and manpower implication especially those of project implementation and financing. Under this situation, nobody should expect miracle hence the unimpressive result of development plans in its pursuit of unemployment reduction in Nigeria.

**iii. The Sectoral Policies and the Issue of Unemployment Reduction**

The challenging issues of unemployment have led to the formulation and implementation of a number of Sectoral Policies in Nigeria. At the forefront of such sectoral policies are those of Agriculture, Education and Industry. For instance in 1982, the educational sector started the implementation of the 6-3-3-4 system. This policy was designed toward skill orientation with the objective of meeting the challenging needs of the economy and ofcourse for self actualization towards self-employment generation for the purpose of unemployment reduction.

The underpinning focus of this policy is skill acquisition as against the usual emphasis on a paper qualification. To achieve this, a number of vocational and technical institutions, universities of technology and agriculture were established. This policy no doubt has laudable objectives but has not been realized due to a number of factors including funding , poor disposition of students towards vocational and skill acquisition study areas, and poor equipment. Too much importance and preference has been placed on the acquisition of academic certificate by most parents and students without practical skills to back such certificate up.

A number of policy designs which include substantial subsidy on agriculture facilities have been implemented with the underlying goal of growing the agricultural sector. The reason being that agriculture sector has the potential for providing mass employment for the citizenry. In addition, the industrial sector was never left out in the design of the policy packages to wrestle unemployment. An instance of this include the policy objective of promoting cottage, micro, small and medium scale industries which was geared towards the provision of mass employment in the industrial sector. To finance the industrial sector, a number of financial institutions, such as Nigeria Industrial

Development Bank (NIDB), Nigeria Bank of Commerce and Industry (NBCI); the merger that produced the current Bank of Industry (BOI) were established. The agriculture sector had a special financing by the then Nigeria Agricultural and Co-operative Bank (NACB). Additionally, the fiscal authorities influenced the financial sector to provide support to the agricultural sector.

Notwithstanding all the above policies, unemployment has remained in the increase rather than reducing. Why is it so? One may ask. The reason is not far fetched. The main reason is on the lapses in the implementation ranging from lack of transparency in the management and execution of policies to lack of close monitoring by the higher authorities, corruption by the government officials which culminated in either developing deaf ear to all reports, comments and complaints against the implementers of the policies or diversion of financial flow meant for the project to wrong destinations. Such diversions which most often were for the selfish interest of those involved greatly hindered policy realization.

### **PROGRAMMES TO ADDRESS UNEMPLOYMENT IN NIGERIA**

A number of programmes have been designed by different administrations to address unemployment in Nigeria. Such programmes include: The National Directorate of Employment (NDE); The Better life programme for rural women; Apprenticeship Scheme (NOAS), e.t.c. Family Support Programme; The Family Economic Advancement Programme (FEAP); The Task of Employment Creation; The National Poverty Eradication Programme (NAPEP), National Open Apprenticeship Scheme (NAOS), e t c.

Unemployment started to rise in early 1986 and since then has formed a source of serious worry and concern.

## Nigeria Unemployment rate

Nigeria Unemployment Rate | 2006-2014 | Data | Chart | Calendar | Forecast

### Nigeria Unemployment Rate 2006-2014 | Data | Chart | Calendar | Forecast

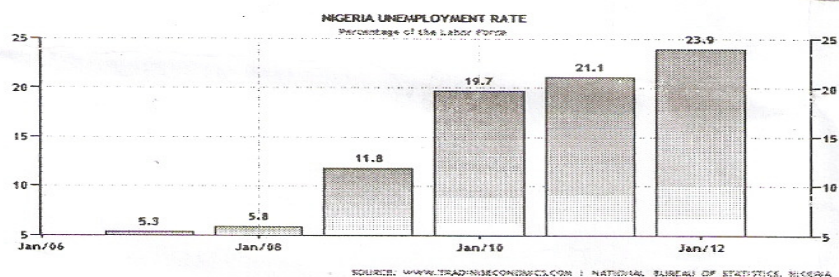
Unemployment Rate in Nigeria increased to 23.90 percent in 2011 from 21.10 percent in 2010. UnemploymentRate in Nigeria averaged 14.60 Percent from 2006 until 2011, reaching an all time high of 23.90 Percent in 2011 and a record low of 5.30 Percent in 2006. Unemployment Rate in Nigeria is reported by the National Bureau of Statistics, Nigeria.

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| Actual | Previous | Highest | Lowest | Dates       | Unit    | Frequency |
|--------|----------|---------|--------|-------------|---------|-----------|
| 23.90  | 21.10    | 23.90   | 5.30   | 2006 - 2011 | Percent | Yearly    |

In Nigeria, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force. This page provides - Nigeria Unemployment Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Content for - Nigeria Unemployment Rate - was last refreshed on Tuesday, October 7, 2014.

| Labour   | Last   | Previous | Highest | Lowest | Unit    |  |
|--|--------|----------|---------|--------|---------|--|
| <a href="#">Unemployment Rate (/nigeria/unemployment-rate)</a> | 23.90  | 21.10    | 23.90   | 5.30   | Percent | <a href="#">[+] (/nigeria/unemployment-rate)</a> |
| <a href="#">Population (/nigeria/population)</a>               | 166.21 | 164.39   | 166.21  | 45.15  | Million | <a href="#">[+] (/nigeria/population)</a>        |

+ (Indicators)

In order to effectively and efficiently address the phenomenon the federal government established the National Directorate of Employment (NDE) in 1986. The policy aim was to serve as a centre for training for skills acquisition for young school leavers. This

programme also provided guidance and counseling for the teeming population of unemployed graduates for the overall goal of mass employment creation. NDE when compared with other unemployment programmes, seems to have recorded more results in the training of the youths for skills acquisition, those that can be employed or even self-employment. On the other hand, the National Open Apprenticeship Scheme programmes have turned out a good number of school leavers from the Labour market into the active workforce of the economy through its youth training programmes. It has been discovered through a pilot tracer study conducted to determine the effectiveness of its youth training programme that over 80 percent of the youths who before training, possessed no marketable or employable skills secured wage employment or established their own enterprises upon graduation from NOAS training scheme. (Damachi, 2001)

Other programmes like Better Life, Family Support and the Family Economic Advancement Programme (FEAP) were designed with the view of skills acquisition for the unemployed. Better life programme and the family support were the initiatives were initiated by the military first ladies – Mariam Babangida and the federal government. Many unemployed have not benefited from these training programmes. This is because the better life and family support programmes instead of targeting the welfare of the poor rural women, the programme was turned into an institutional channel for squandering funds to the benefit of some privileged few. Again most of the few people who were trained lacked the necessary resources and the operating environment to practice the skills they acquired. The problem of non-availability of enabling environment lowers the output level of the NDE as some trainees find it very difficult operating after the acquisition of vocational skills while others who operate do so under very epileptic situations.

The National Poverty Eradication Programme (NAPEP) gave birth to Poverty Alleviation Programme (PAP) of the civilian administration that assumed office in 1999. Fundamentally, the objective of the programme is poverty reduction through the creation of graduate employment and vocational training for school leavers and others. The programme was meant to replace Family Economic Advancement Programme which had similar objectives but had very low output. NAPEP, shortly after fall in line with other programmes in low output and can not be said to be successful either. This was evidenced in the fact that a large number of graduate beneficiaries who were supposed to be attached to different institutions for training and absorption found it extremely difficult securing any place for such purposes.

## **RECOMMENDATIONS**

A number of issues have been raised as constituting obstacles to employment programmes in Nigeria. This phenomenon (unemployment) is not above remedy. If China can be what it is today, Nigeria can as well overcome this unemployment saga. The research then recommends:

1. As one of the greatest challenges of Nigerian unemployment is policy implementation problem, a team of trusted individuals with integrity should be set up to

monitor the implementation of all unemployment programmes, and anybody found wanting after employment in any form should be fired.

2. Over the years, the Nigerian economy has performed below expectation. Such a situation has contributed to the under utilization of both human and material resources. So if the capacity growth of the economy is increased, invariably there will be a reduction of the phenomenon. This utilization must involve total commitment. Through such means, the economy will be diversified. To achieve this, the Nigerian federalism which encourages indolence and total dependence on oil should be dismantled. If Nigeria is really operating federalism, the *modus operandum* should be clearly stated and cooperating units should align themselves to it. The writer feels that it is lack of such clarity that is responsible for some units such as the Boko Haram insurgence and Biafra are agitating for secession-which has claimed lives. Nigeria states should be given more autonomy. With such development, each region will be active in developmental ventures and such will create good atmosphere for healthy competition. This in turn will equally lead to growth in the economy and employment opportunities will be created.

3. Recognition and appropriation of entrepreneurial skills and initiatives should be tenaciously addressed in the higher education policy. This will significantly reduce the problem of unemployable graduates. This aligns with Borishade (2001) that Nigeria is at its lowest ebb in human capital development and utilization because of its inadequate educational system which tends to produce more of those who lack jobs skills for employment than those the economy requires to remain vibrant. It therefore becomes imperative to restructure the educational system to give meaning to manpower production for the needs of the economy. In this direction, vocational skills should be given high priority. Such vocational skills can attract self-employment. To achieve this also, the technological institutions in the country should be properly funded and equipped to ensure efficiency result. Understanding the implications of large number of students graduating from higher institutions without job due to lack of practical skills will be drummed into the ears of students intending to gain admission into high institutions. Such knowledge will motivate them to opt for disciplines that would fetch them job independence after their graduation.

4. Enabling environment is another area of consideration for Nigerian economic growth. For instance the inadequate infrastructure in Nigeria has contributed to pose great problem to the Nigeria economic growth and development in all ramifications. Self dependency has been inhibited due to this fact of poor or lack of infrastructure. This forms the dependency syndrome of almost all the unemployed on the government which on the other hand is too much a load for the government to carry.

Moreover, the economic environment has not been friendly to cottage, small and medium scale industries. To this end therefore, government in order to efficiently meet the challenges of infrastructural development in the country has to make more effort which will invariably launch the private sector into full potentials. When this is done, private investment will be stimulated and this in return will induce remarkable improvement in



economic growth more than government alone taking up all the investment. According to Hernandez-Cata (2000), this is because the empirical evidence for most SSA countries growth indicates that private investment has a significantly stronger effect on growth than does government investment probably because it is more efficient and perhaps less closely associated with corruption.

5. Right placement of the Agricultural sector.

Primarily, Nigerian economy is an agrarian country. Unemployment rose in Nigeria as a result of neglect of the Agricultural sector. The solution to the current unemployment therefore, can be achieved through re-directing the country back to agriculture.

6. Less attention to export jobs.

Most Nigerians prefer export jobs including washing of corpses to domestic employment. Again the taste orientation of the Nigerian consumers has equally largely inhibited the growth of the domestic firms which would have served as sources of employment opportunities. All Nigerian consumers should join in the war against unemployment by rejecting the inordinate quest for foreign products which Nigerian industries have their products. Nigeria consumers should try to emulate their Chinese counterparts by developing taste for as well as patronage of the locally made goods. This inevitably will lead to market expansion and creation of employment opportunities.

## **SUMMARY**

Generally speaking, it has been observed that most of the programmes established in Nigeria in the course of the fight against unemployment in the system could not achieve their expected results, some of the reasons responsible for that include: absence of enabling environment, inadequate funding resulting mainly from mismanagement, lack of adequate commitment to the course of programmes and lack of transparency. The consequence therefore is that rather than reducing unemployment phenomenon, the country has witnessed an alarming increase in unemployment incidence.

## **CONCLUSION**

To combat the challenges of the rising unemployment problem in Nigeria is no doubt a major task for policy makers which must be faced and fought. This is as a result of its damning consequences. The implications are adverse and glaring on the national economy. Nigeria is faced with a number of negative developments most of which are traceable to non-availability of jobs for the teeming population of the energetic youths many of whom are graduates.

There is therefore, no gainsaying that addressing this ugly unemployment development is imperative. In as much as the government should take the leading role in the fight against unemployment through employment generation by providing the required enabling environment for economic activities; the whole responsibility of fighting unemployment should not be left for the government alone seeing its enormity. All

stakeholders therefore, must join hands and work together to fight and win this monster called unemployment in Nigeria.

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# **LOCAL GOVERNMENT AUTONOMY IN NIGERIA: STRUCTURAL AND INSTITUTIONAL INNOVATIONS**

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## **Abstract**

Local government involves a philosophical commitment to the idea of democratic participation in the governing process at the grassroot level. This implies legal and administrative decentralization of authority and power by a higher level of government to a lower community with a will of its own performing specific functions as with the national framework. This paper examines these roles in Nigeria with particular emphasis on autonomy, structure and institutional innovations. The methodology adopted here is the content analysis of existing literature on local government and administration in Nigeria. It discusses among others the 1976 local government reforms which were necessitated to bring about development at the grassroot level and to revamp the ailing local government system as it were. The creation of more local governments was a bold step by the then military administration to achieve this developmental stance and to ensure popular participation. The paper concludes that local government in Nigeria has a crucial role to play in the development process provided there is result-oriented management with a guaranteed operational authority supported by effective local participation.

## **Introduction**

Local Government in Nigeria is the third tier level of government and a political sub-division of a nation or state which has the responsibility of bringing development to the people at the grassroot (Ola,1984). This level of government was established by law as an entity and a unit of the federal system of government to perform specific functions which in essence, enables the council to exercise powers with certain level of autonomy for the smooth running of the institution for the benefit of the people in the grassroot. All these became possible as a result of the bold step taken by the military government in 1975/1976 to reform the local government institution. This measure was taken in order to avoid the erosion of functions and finances at that level of governance in Nigeria. Local governments in Nigeria were established to perform some salient functions. These include those functions which required detailed local knowledge for efficient performance, and functions in which success depends on community responsiveness and participation. Other functions for which the local governments were created are functions which are of a

personal nature requiring provision close to where the individual affected lives (Aibieyi, 2008:116). The 1999 Constitution clearly demonstrated the of local institution as the true third-tier of the Nigerian political arrangement. This paper therefore focuses on the 1976 local government reforms and the role of the military government in this direction. It also discusses the rationale for the creation of local governments, election into local government councils, local government autonomy, structural and institutional innovations in Nigeria.

## **LOCAL GOVERNMENT REFORMS**

The local government reforms of 1976 have been described as a landmark in the history of local government in Nigeria. The reforms were informed by the objective consideration of the Udoji Commission Report of 1974. The Commission was concerned with all the public services of Nigeria including the local government. It recommended among others that:-

1. The country should adopt the single-tier system of local government;
2. Every state should set up a committee to review the financial and functional relationship that should exist between the state and its local governments;
3. Research and development units should be set up to assist local government
4. Councils in the rural areas should be elected through electoral college process while direct method of election should be used in the urban areas;
5. Recognition should be given to the administrative functions of the traditional rulers and
6. Grants should be made available to local governments for the operating expenses on quarterly basis (FGN, 1974).

The regime was greatly concerned with the decreasing importance and erosion of the power of local governments, their financial incapability, inadequate staff, etc. The reform was therefore aimed at correcting these inadequacies so as to enable local governments take their rightful place in the socio-political development of the country. The reforms introduced what may be described as a national system of local government. The guidelines to local government reforms actually can be seen as a local chapter granted by the federal military government to all the local government areas in the country (FGN, 1976).

The fundamental areas that the 1976 local government reforms deal with can be summarized as - the functions of local government, the structure of local government, the financial resources of local government; the place of traditional rulers in the local government, the relationship with state government; and law enforcement. The 1976 reforms stipulated two distinct classifications of local government functions as “exclusive and concurrent functions”. Section 5 of the reform as well as schedule 4 of 1979 and 1999 constitutions (now suspended in part) define the exclusive functions as items under the responsibilities of local government. The reforms also stressed the administrative and fiscal effectiveness which is important for development as major functions of local

government. Another major objective of the reforms was to allow for participatory democracy. The reforms aimed at stimulating a democratic participation at local level through the institution of popularly elected representative in the local government councils (Aibieyi, 2008:208).

## **THE ROLE OF BABANGIDA ADMINISTRATION IN REFORMING LOCAL GOVERNMENT**

The military government has no doubt played an important role in recognizing and reforming local government as a legal entity and a recognized unit of the nation. In his maiden address, Babangida state that his administration toppled the Buhari/Idiagbon regime for a corrective measure. In its early stage, the administration pledged to give a new direction to the country political, economically and socially, to bequeath to posterity a new political order that can endure stresses as well as contain the competitive demands in our national life. Just as the Murtala/Obasanjo Military regime felt, it was realized by the Babangida administration that a solid foundation for political stability can only be laid on a sound local government sub-structure (Gboyega, 1987:61). Consequently, the Political Bureau Committee which created by the federal military government in January 1986 to propose a political agenda for transition recommended a “supervised return to civil rule” phasing out military withdrawal beginning with democratically elected governance at the grassroots. Its strong preference was a broadly spaced transition in which democratic government can proceed with political institutional adjustment and a re-organisation of political culture. It will be a sequential level of politics and governance, beginning with the local government and ending at the federal level (FGN, 1987).

## **POLITICAL BUREAU COMMITTEE REPORT ON LOCAL GOVERNMENT**

In acknowledging the important role of local government in Nigeria, the Political Bureau Committee Report reveals that local government is a viable instrument for rural transformation and for the delivery of social services. These functions are considered better fulfilled by local government given its strategic location, proximity to the people, responsiveness and simplicity of operation. However, the Bureau noted that the contribution of local government has historically been minimal. Reasons adduced for this included excessive federal and state governments control and interference in the performance of local government; and states undermining the financial viability of local government by diverting their statutory allocated grants and encroaching on their revenue yielding functions like markets, motor parks, tenement rating, liquor licensing, and so on.

In reviewing local government administration in Nigeria, the Dasuki Committee Report (1985) attributed the problems of local government to operational factors, arising directly from the behaviour and attitudes of the persons who operated the system. These hindered equitable distribution of amenities within local government areas, by weakening the whole local government system. The Dasuki committee proposed the decentralization of the services provided by local government, through the establishment of development

area offices which would be assigned responsibility for providing certain basic services. Further, the committee recommended close monitoring of local government finances. Government merely noted the recommendations of the Bureau on the structure and organization of local government administration as well as the functions to be assigned to the subordinate units. The Dasuki recommendations however led to the scrapping of State Ministries of Local Government Council in 1988 and the policy of direct disbursement of statutory allocation to local councils was introduced. Based on the Dasuki and the Political Bureau's reports, the Babangida's government implemented local government reforms in four major areas:

1. it created more local government councils
2. it made sure that elections were held to elect people into the local government councils
3. it strengthened local government autonomy by making them more financially independent.
4. it established more structures and institutional innovations (Adedeji and Adebayo, 1988:101).

### **CREATION OF MORE LOCAL GOVERNMENTS**

On the issue of creation of local governments in Nigeria it is on record that the majority of members of the political Bureau Committee did not support the idea of creating more local governments. Rather, majority members preferred to retain the existing 301 local councils inherited by the regime, while only two members of the 17 advocated 450 local government councils based on the number of federal constituencies. The government initially accepted the position of the majority but later rescinded its decision when it announced in May 1989, the creation of 149 additional local government areas, thereby bringing the number of local government units to 453 (Akindele, 1989:24). Similarly, in August/September 1991, the government announced the creation of 140 more local government areas, bringing the total number then to 589, thus, contrary to its initial stand, the regime virtually doubled the number of local government units in the country (Akindele, 1989:29).

It is worthy of note that the Babangida administration also sought to make it difficult, if not totally impossible, for a civilian government to create additional local government units. To achieve this, the 589 local government areas were enshrined in the 1979 Constitution (Part 1 of the First Schedule). States accordingly lost their powers under this constitution to adjust the number and boundaries of local government areas. Such action now requires constitutional amendment (Olagunji, 1985:30). Through the effort of military government, the number of local government area was subsequently increased. Nigeria is presently having a total number of 774 local government areas. It is however interesting to note that the military government has immensely encouraged rural development in Nigeria through the creation of more local units of government in the country.

## **ELECTION INTO LOCAL GOVERNMENT COUNCILS**

With the present system of election into local government councils, political participation is encouraged. Section 7 (1) of the 1989 Constitution guarantees a system of local government by democratically elected local government councils. Moreover, the responsibility for the conduct of election into local government councils shifted to the Federal Electoral Commission in place of state electoral bodies, as obtained under the 1979 Constitution and in the Second Republic. This was in line with the recommendation of the Political Bureau Committee. The first electoral step to the aborted Third Republic began in December 1987 with the election of local government chairmen and councilors on a non-partisan basis. The logic in this arrangement was that if the local government elections could be properly conducted, other elections at higher levels of power would follow smoothly and in a democratic spirit. If on the contrary, the local government elections were manipulated, the democratic wish would have been subverted (Akinwale, 2001:94).

The elections of December, 1987 to local government councils failed because the rich and powerful politicians sabotaged the National Electoral Commission's efforts. Thus, fresh elections were held on 26 March, 1988. This repeated exercise was successful. This success was followed in December, 1990 when another round of local government elections was held under the open ballot system despite the protect from the old politicians about its undemocratic nature (Akinwale, 2001:101).

## **LOCAL GOVERNMENT AUTONOMY**

Local government autonomy refers to freedom in terms of functions and financial management at the grassroot level. It means the power to manage its affairs locally and make provision for services. The local government and sources of revenue for its operations include federal allocation and internal revenue generation (Aibieyi, 2005:74-81). It has been made clear by the Political Bureau Committee that the relationship which exists between state and local government is a super-ordinate/subordinate relationship. This is inevitable because of the power of control/supervision which state governments have over local governments. A much more positive relationship is necessary and this is dependent on the evolution of mutually reinforcing relations. State governments have over local governments. A much more positive relationship is necessary and this is dependent on the evolution of mutually reinforcing relations. State governments should therefore be able to provide guidance, support and encouragement to local governments in the delivery of service (Olagunju, 1987:91).

The Babangida's government accepted the Bureau's recommendations for local government fiscal autonomy and relaxed state control over local government finances. Thus, on Independence Day in 1988, President Babangida announced that local government councils would henceforth receive their revenue allocations directly from the Federation Account. In order to safeguard this measure after the departure of the military from the political scene, it was enshrined in the 1989 Constitution (160(4)) that "any



amount outstanding to the credit of local governments in the Federation Account shall be allocated directly to the local government concerned.” It was further pledged by the Babangida’s administration that the Revenue and Fiscal Mobilization Commission and the Office of the Accountant-General of the Federation would ensure that local governments receive their periodic statutory financial allocation directly from the Federation Account (Joda, 2002:51).

In strengthening local government autonomy, the government commitment to the cause of local government autonomy was demonstrated by the Babangida administration when it was announced that the share of local governments from the federation account was increased from 10% to 15% in 1991 and then to 20% at the expense of the state government. Additionally, states were required, with effect from July, 1988, to contribute 10% of their internally generated revenue into the coffers of local governments failing which money would be deducted at source from the state allocation from the Federation Account (Olagunju, 1987:10). The abolition of the Ministry of Local Government at the state level was announced in 1988. As a result, it was instructed that state governments should establish the Department of local government in the State Governor’s offices to replace the Ministry of Local Governments in order to assist, advise and guide but not control local governments in the performance of their constitutional functions. State governments were therefore, required to hand-off all the local government functions listed in part 1 of the fourth Schedule of the Constitution.

## **STRUCTURAL AND INSTITUTIONAL INNOVATIONS**

The need to adjust local government to the role envisage for its structural adaptations and innovations or reforms is paramount. In achieving this, the government set up a 21-member Technical Committee, headed by Professor Humphrey Nwosu, on the application of the civil service reforms to the local government service. The following recommendations were made by the committee and were accepted by government.

1. The Local Government Chairman should be the chief executive and accounting officer of his council. In this sense, he is accountable both while in and out of office like the minister and commissioner in the federal and state governments.
2. The Vice-Chairman and Supervisory Councillors should become political heads of their respective departments, members of the Finance and General Purposes Committee, and in that position constitute the local government cabinet.
3. The Secretary to the council should remain a career officer with tenure of office, working conditions and functions as provided in the local government employees service scheme; he should remain also the head of service of the council and chief administrative adviser to the local government and to the finance and General Purposes Committee. Moreover, he should remain a signatory to the council accounts.

4. Retention of the dual local government service, in which officers from grade level 07 and above are to be recruited, promoted and disciplined and generally under the local Government Service Commission while the other staffers are under the council.
5. Councils should not have more than four other departments in addition to Personnel Management, Finance, Supplies, Planning and Research and Statistics.
6. Emphasis should be on specialization and advancement to the top through hard work, while concrete measurable performance should determine rewards and sanctions.
7. Establishment of a junior staff management committee (under the chairmanship of the Head of Personnel Management) to determine personnel matters of council employees between levels 01-06.
8. Creation of the Local Government Department in each state Governor's Office, responsible for accounting codes and procedure, training, financial memoranda and guidelines and circulars issued from the Governor's Office.
9. Appointment of a qualified accountant as a council's internal auditor with functions similar to the Auditor-General in the Federal and state governments.
10. Creation of Audit Alarm Committee to perform identifications as those at other levels (FGN, 1988).

The new system was introduced in February, 1991 and elaborated in May 1991 by decree No. 23 of 1991. It provided for a legislature at the local government level, known as the 'local government Council.' The legislature was to be presided over by the Leader and Deputy leader with powers parallel to the Speaker and Deputy Speaker of a State House of Assembly. The executive (Chairman, Supervisors and Secretary) was referred to as the 'Local Government.' As at other tier, the guidelines provided for separation of powers between the executive and the legislature. The local government council performed roles corresponding to those performed by the legislature at higher levels of government. Similarly, local government performed functions parallel to those of the cabinet at other tiers of government (Odenigwe, 1988:41).

The structure and the orientation established by the Babangida's regime promised to take local government to 'a new Canaan' with democratic values and orientations. But this was not allowed to take full effect as the 1999 Constitution introduced ambiguity and contradictions in the control and running of local councils. For example, section 7 (1) of the 1999 Constitution states that:

The system of local government by democratically elected local councils is under this Constitution guaranteed, and accordingly, the government of every state shall subject to section 8 of the Constitution, ensure their existence under a law which provide for the establishment, structure, composition, finance and functions of such councils. Similarly, section 7 (6a) provides that "the National Assembly shall make provision for statutory allocation of public revenue of local councils in the Federal and Section 7 (6b)

compounds the confusion by stating that “House of Assembly of a State shall make provisions for statutory allocation of public revenue to local councils, within the state.”

In addition, section 8 (5 and 6) empowers the National Assembly to legislate on new councils before they can become legal. With the State Government, State House of Assembly and the National Assembly all having roles to play in the affairs of local council, it is not surprising that the confusion, intrigues and non-performance of most of the local councils have been the lot of governance at the grassroots levels, hence the need for further reforms (Iyang, 2002:19).

## **CONCLUSION**

The foregoing analysis indicates the important role of the various local government reforms that have taken place in Nigeria towards the establishment of a stabilized system of local government. The 1976 local government reforms is an important turning point in the political structure of Nigeria. The reform was national in outlook and far reaching in its recommendations. Other reforms package put up by various administrations have also contributed their positive quota to the development of the local government system in Nigeria.

It has been noted that through the creation of additional local governments and structural arrangement, it has given opportunities for people at the grassroots level to participate in political governance. This however has been abused by many elected local government functionaries who see their positions as opportunities to amass wealth at the expense of development. Consequently, corruption has crept into the administration of local government system in Nigeria.

The 1999 Constitution introduced some ambiguity and contradictions in the control and running of the local government. Instead of strengthening the finances of the local government, state governments encroached on their operational autonomy. In spite of the structural and institutional innovations introduced by successive administrations, local government in Nigeria leaves much to desired.

Local government in Nigeria therefore has a crucial role to play in the developmental process provide there is result-oriented management supported by effective local participation. It will be difficult if not impossible to achieve any meaningful development, a just, disciplined and egalitarian society without a well coordinated and efficient system of administration in Nigeria through the instrumentality of local government in terms of autonomy, structural and institutional innovations is a far cry from these ideals?

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# **LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN NIGERIA: CASE STUDY BAYELSA STATE, 1999 – 2014**

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## **Abstract**

It is a well known fact that majority of Nigerians are rural dwellers. However, both the standard of living and quality of life in these rural communities have nothing to write home about, as the people live in squalid conditions in addition to seeming absolute poverty. Indeed, these rural communities in the country lack such social infrastructures like adequate supply of electricity (where it exist), potable water, motorable roads, well equipped health and educational facilities among others. Meanwhile, the rationale for the creation of local government is to initiate and sustain rural development by attending to the needs of the rural people. Interestingly, the living conditions of the rural populace in Bayelsa state nay the entire nation are better imagined than experienced. Finding that the local governments in the country have failed in this onerous task, the study therefore, recommended that strict financial probity should be institutionalized in the country's local government system. Also, the practice whereby state governments in the cover of state-local government joint account tend to erode the autonomy of these local councils must be stopped forthwith.

**KEYWORDS:** Local Government, Rural Development, Social Services, Infrastructure and Quality of life

## **Introduction**

Local government plays a vital role in the socio-economic development of countries the world over. Though, other levels of government such as the federal and state (in the case of Nigeria) exist respectively with the aim of fostering development; however, local government remains the rallying point when it comes to issue of rural development. Indeed, Ezeani (2004:182) noted that “local government world-wide has long been recognized as a veritable instrument for the development of local communities. This is

because, it is in a better position to know and address the problems of its people”. This is *in tandem* with the observations of Sharma & Sadana (2006:837) that:

Modern state is too large in size and the scope of its functions has expanded in recent times. Therefore it hardly has the time to attend to the local problems of the people. It is competent to deal with the problems which are common to all the people or which are national in nature like defence, foreign affairs, currency, communications, and international trade, etc. But it is neither competent nor has the knowledge to deal with the local problems of the people. The local problems vary so much that no single agency can manage them. The problems of the villages are different from those of the towns. The problems of desert regions are different from those of mountainous areas. Even the needs and problems of one village or town will be different from those of the other village or town. Therefore it is the local government which is present at the spot which can understand and solve those problems. Local affairs can best be managed locally. Local affairs are bound to be neglected if they are dealt with by the Central Government. Local government is preferable precisely because locally elected institutions employing their own specialist staff are better placed to understand and interpret both the conditions and the needs of local communities.

Meanwhile, the rationale for establishing local governments in the country is to ensure the development of rural areas through the provision of essential infrastructures and services such as construction and maintenance of feeder roads, provision of potable water, health services and/or facilities, construction and maintenance of school, markets, motor parks, cemetery *et cetera*. This prompted Abada (2012:175) to state that “the central reason for the establishment of subordinate governmental tiers, developmental agencies, institutions and organs is to facilitate grassroot development and bring government closer to the people”. He went on to observe that local government stands out as the most reliable and viable tool among other developmental agencies assigned with this developmental tasks, if properly managed. Again, Ezeani (2004:24) noted that:

Local government system exists in every country of the world, although with variations or differences in its essential features, such as constitutional status, historical structure, level of autonomy, *et cetera*. Despite these variations in its essential features across countries, and sometimes within the same country, local government is generally seen as a veritable agent of development and grassroot participation in the democratic process.

The importance of local government in Nigeria towards this regard, can neither be overemphasized nor underestimated bearing in mind that a fundamental reality of the Nigerian state is that majority of its citizens are rural dwellers that suffer varying degrees of social problems ranging from dearth of basic infrastructures, lack of potable water, lack of access to adequate medical treatments, unavailability of electricity, unemployment and high rate of poverty. Hence, the socio-economic conditions of the country’s rural communities can best be captured within the purview of Fanon’s phraseology of “*Wretched of the Earth*”. Besides, it is in recognition of this sorry situation that the 1975-1980 Third National Development Plan observed *inter alia* that:

It is necessary to recognize that about 70% of the Nigerian population live in the rural areas and have benefited relatively little from the rapid economic growth of the past few years. The improvement in the welfare of the average Nigerian will therefore require substantial increase in rural income. Accordingly, in the allocation of scarce resources, in the course of plan implementation, priority will be given to programmes and projects directly benefiting the rural population, particularly projects to increase the income of small holder farmers and to improve the economic and social infrastructure to the rural area.

Moreover, according to Dare & Oyewole (1987) every nation or state contains small group of diverse population, custom, language and needs, which may be different from those of larger nation or state. These differences can best be accommodated if some degrees of decentralization of powers were maintained. From the proceeding lines of argument one basic fact that stands out clearly is that local governments are created to ensure the rapid development of rural communities and betterment of the standard of living of the people therein through social services and infrastructural provisioning. Interestingly, despite the various justifications for the establishment of local government in the country towards rural development the condition of the rural dwellers (those Bayelsa state in particular) are yet to witness any significant change as there still exist dearth of basic social infrastructure such as constant electricity (where it exists), quality education, communication and transportation facilities, farm inputs and agricultural mechanization services in these places *et cetera*. It is therefore, against this background that this study seeks to investigate the rural developmental credentials of Local government councils in Bayelsa State within the period under study.

## **AREA OF THE STUDY**

The area of this study is Bayelsa state. Bayelsa state is one of the 36 states of that constitute the Federal Republic of Nigeria and it is located in southern part of the country in the Niger Delta region. It is bordered on the West by Rivers State, on the East and South by Atlantic Ocean and on the north by Delta State. The state was created on October 1<sup>st</sup> 1996 by the military government of Late Gen. Sani Abacha. The capital of Bayelsa state is Yenagoa. It covers a total of 21,110km<sup>2</sup> (8,150sq ml) and with an estimated population of 1,998,349 (2005 estimate); besides it has a density of 95/km<sup>2</sup> (250/sq ml) ([www.en.wikipedia.org/wiki/bayelsa\\_state](http://www.en.wikipedia.org/wiki/bayelsa_state)). The name of the state is a derivative of the few letter of the three major local government areas from which it was formed namely Brass Local Government Area (BALGA), Yenagoa Local Government Area (YELGA) and Sagbama Local Government Area (SALGA). Hence, the name Bayelsa was coined from BA+YEL+SA ([www.ngex.com/.../bayelsa.htm](http://www.ngex.com/.../bayelsa.htm)).

Administratively, Bayelsa state is divided into eight (8) local government areas namely (1) Brass, (2) Ekeremor (3) Kolokuma/Opokuma (4) Nembe (5) Ogbia (6) Sagbama (7) Southern Ijaw, and (8) Yenagoa respectively. Geographically, the state has a riverine and estuarine setting. Hence, most of the communities are in most cases completely

surrounded by water thereby making them inaccessible by road. In terms of occupation, the local population is mainly farmers and fishermen both on the subsistence and commercial levels.

Meanwhile, the political economy of Bayelsa state revolves around oil and gas production. Indeed, the state has one of the largest crude oil and natural gas deposits in the country. Indeed, the first oil found in commercial quantities in Nigeria in 1956 was found in Oloibiri in Ogbia local government area of the state. The people of Bayelsa state speak four major languages namely (1) Izon (2) Nembe (3) Ogbia and (4) Epie-Atissa.

Interestingly, majority of the people are rural dwellers and due to its peculiar terrain in conjunction with lack of adequate social infrastructures like transportation, communication, health and education facilities in addition to unemployment the state witnesses high rate of poverty and underdevelopment.

## **CONCEPTUAL CLARIFICATIONS**

### **Local Government:**

The concept of local government just like any other in the social science lexicon had been subjected to various conceptualization and definitions. For instance, Clarke (1948:1) see local government as that part of the government of a nation or state which deals mainly with such matters as concern the inhabitants of particular district or place. Local government according to Sharma & Sadana (2006:833) “is a statutory authority in a specified local area (village, or town or city) having the power to raise revenue through taxes from the performance of local services like sanitation, education, water supply *et cetera*”. They further noted that it is constituted by the elected representatives of the local people and enjoys autonomy from state or central control sufficient to enable it to perform its services adequately.

Moreover, the United Nations Office for Public Administration (1971:1) views local government as:

A political sub-division of a nation or (in a federal system) state, which is constituted by law and has substantial control of local affairs, including the power to impose taxes or to exert labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected.

Similarly, the Guideline for the 1976 local Government Reform defined local government as:

Government at the local level exercised through Representative Council established by law to exercise specific powers within defined areas. These power should give substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services to determine and implement projects so to complement the activities of the state and federal government in their areas, and ensures through active participation of the people and their traditional institutions that local initiative and response to local needs are maximized.



For Enemuo (2005:318) “local government is the lower level of government in a modern state (nation) that is legally distinct, has powers to raise revenue and undertake assigned responsibilities under a leadership that is elected and answerable to the local population. According to Lockard (1968:451), local government is:

...a public organization authorized to decide and administer a limited range of public policies within a relatively small territory which is a subdivision of a regional or national government. Local government is at the bottom of a pyramid of government institution, with the national government at the top, and the intermediate governments (state, regions, provinces) occupying the middle range. Normally, local government has general jurisdiction and is not confined to the performance of one specific function or service.

Adopting the same analytical premise Akpan (1972) sees local government as: the breaking down of a country into small units or localities for the purpose of administration on which the inhabitants of the different units or localities concerned play a direct and full part through their elected representatives who exercise power or undertake functions under the general authority of the national government.

On their part, Imhanlahimi & Ikeanyibe (2009:78) observed that: Local government has a defined area and a popularly elected democratic council. It has formal powers derived from the laws or constitution of the land, to decide on a range of public matters in consultation with other stakeholders, including traditional rulers, for the locality. The formal powers can only be altered by a subsequent legislation or constitutional amendment. The LG has personnel, financial and other resources, from whatever sources, which are deployed, spent and invested at its own discretion for the execution of legally or constitutionally assigned and mutually agreed functions for the overt development of the area.

According to Orewa & Adewumi (1992) local government is a system of local communities and towns which are organised to maintain law and order; provide some limited range of social services and co-operation of the inhabitants in joint endeavours towards the improvement of their conditions of living. Going further they noted that local government provides the community with a formal organizational framework which enables them to conduct their affairs effectively and regulates the actions of their members for general public.

For Igwe (2007:237) local government “is the lowest tier of constitutional administration in a federal, unitary or any other political system, generally designed to suit the needs of the local people, and as far as possible, and necessary, utilizing the personnel and other potentials of the districts”. In general terms local government, according to Golding (1975:9) is the management of their affairs by the people of a locality, and it is designed to make appropriate service and development activities responsive to the local wishes and initiatives.

**Rural Development:**

Rural areas according to Afolayan (1995) are easily identified by certain criteria's, apart from population. Such as:

- i. Level of infrastructural development i.e. road networks, educational institutions, water supply, electricity, health facilities, communication, etc. The rural area lacks most if not all of these infrastructures and where they are available the quality as well as quantity is usually below desirable standard;
- ii. Occupational differentiation: Most rural dwellers earn their living by engaging in subsistent agriculture production;
- iii. Housing: Housing in rural areas are generally below the standard an average person will be proud of;
- iv. Extent of community planning: Community development activities in the rural areas are often carried out with little or no planning at all, such that future development activities cannot be undertaken without interfering with the existing structures;
- v. Arising from the combination of the above factors is a characteristic abject poverty when related to the economic buoyancy of urban centers.

Anger (2012) perceives rural development as the collective activity of any human society at the grassroots level directed at reducing the totality of both perceived and actual obtained to higher standard of living thereby maximizing the quality of lives of the rural dwellers this entails total improvement in the quality of life of the people in terms of their living standards regarding health, education, potable water, roads, communication system, employment, food, shelter, clothing, security of lives and so forth. He further, noted that rural development is the ability of the local government or any agency to give a better lease of life to the local population who may be remote to political decisions but are affected by the decisions. This implies that when the capacity of a people living in the rural area is enhanced so as to improve their lives, rural development is said to be effective.

The objective of rural development is to improve economically, politically, psychologically, emotionally and socially to mention a few the living conditions of the down-trodden residents of the rural areas. Thus, according to Bamidele (1990:3-4):

Rural development... consists of deliberate efforts mobilized to eradicate or reduce to the barest minimum social and economic ills that persist in diminishing the quality of life in the communities. It (rural development) means the improvement of the social and economic conditions in rural places, creating better job opportunities, increased family incomes and providing the stage for increased mobility required by the unemployed and under employed for labour.

Olayiwole & Adeleye (2005) identified and classified the infrastructural development requirements of the rural areas into three. First, is the basic infrastructure which entails the availability of good roads, water (pipe borne water), rural electricity, storage, and processing facilities *et cetera*. Second, is the social infrastructure which is

concerned with health and educational facilities, community centres, fire service and security service *et cetera*. Third, is the institutionalized infrastructure which is concerned with credit and financial institutions and agricultural research institutions to aid or enhance the economic activities and income of the rural population. The provision of these infrastructures will ensure integrated rural development that entails the promotion of rural productive activities, supportive of human resource development and enlargement of enabling rural infrastructure.

Similarly, Anker (1973) conceives rural development as:

Strategies, policies and programmes for the development of rural areas and the promotion of activities carried out in such areas as rural crafts, fishing, building and social infrastructural with ultimate aim of achieving a fuller utilization of available physical and human resources and thus higher incomes and better living conditions for the rural poor and effective participation of the later in the development process.

However, conceptualizing rural development from an integrated perspective Abonyi & Nnamani (2011: 290) state that:

Rural development is multidimensional improvement in the existential characteristics of the ruralities in ways amenable to their integration within the parameters of improved national life and their ability to contribute to the positive building of latter

Meanwhile rural development according to Ezeah (2005) is that part of development that seeks to enhance the quality of life in the rural areas by providing basic infrastructural facilities. Mustapha (1989:1) noted that:

rural development is concerned with the improvement of the living standards of the low income population living in rural areas on a self sustaining basis through-transforming the socio-political- economic structures of their productive activities... (it) implies a broad-based reorganization and mobilization of the rural masses so as to enhance their capacity to cope effectively with the daily tasks of their lives and with changes consequent upon this.

Ezeani (2004) perceives rural development as a series of economic and social development activities directed to a given rural population and whose converging effects indicated in time, a progressive improvement in the quality of life and a rise in the living standard of the people concerned. Rural development does not mean isolated programme of community development, rural animation, mass education, agricultural extension, (even though these are part of rural development exercise) it means rather a comprehensive development of the rural area. It on this premise that Onuoha (2007) noted that the 1976 reform was designed to strengthen the local government system, stimulate democratic self-potentials at the grass root, ensure the availability of amenities, indeed necessities, such as electricity, adequate water supply, improved transportation, health facilities and so on, and entrench local government as the third tier of government activity in Nigeria.

Specifically, it has been observed that it was the need to institute a local administrative system that can efficiently attend to the development needs and challenges at the grassroots that necessitated the 1976 Local Government Reforms. Hence, the then

Military Head of State, General Olusegun Obasanjo, stated that the following are the reasons for the reform:

(a) to increase the responsibilities of the local authorities by a process of decentralization that ensures appropriate divisions of functions between state and Local Governments; (b) to ensure that participation and involvement begin at the grassroots level. Since local authorities are very close to the people, they are most favourably placed to understand and appreciate the people's demands. Local authorities should hence, serve both input and output functions within the system. They should articulate the demands of the masses, and when these are satisfied they should provide authorities with feedback; (c) to ensure that, both in the short-run and long-run, both the staffing and financial requirements of local authorities are satisfied to enable them perform their statutory assigned functions (Eliagwu, *et al*, 2001:5).

Moreover, the South African Rural Development Framework (1997:7) describes rural development as a means of helping rural people set the priorities in their own communities through effective and democratic bodies. These bodies provide local capacity, invest in basic infrastructure and social services, deal with past injustices, and ensure the safety and security of the rural population, particularly that of women. So, rural development in Nigeria entails the process of making life more satisfying and fulfilling to the millions of Nigerians who live in the rural areas.

#### **FUNCTIONS OF LOCAL GOVERNMENT UNDER THE 1999 CONSTITUTION**

In accordance to the theoretical justification for the establishment of the local government and its various reforms in the country over time; the Fourth (4<sup>th</sup>) Schedule of the 1999 constitution provide the main functions of local government in the country (Bayelsa inclusive) as follows:

- a. The consideration and the making of recommendations to the state government on economic planning.
- b. Collection of rates, radio and television licenses
- c. Establishment and maintenance of cemeteries, burial grounds and homes for destitute and infirm.
- d. Licensing of bicycles, trucks, canoes, barrow and carts.
- e. Establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parts and public conveniences.
- f. Construction and maintenance of roads, street lightings, drains and other public highways, parks, open spaces, or such public facilities as may be prescribed from time to time by the house of assembly of a state.
- g. Naming of roads and streets and numbering of houses.
- h. Provision and maintenance of public conveniences, sewage and refuse disposal.
- i. Registration of all births, deaths and marriages.
- j. Assessment of privately owned houses or tenements prescribed by the house of assembly of a state.

- k. Control regulation of:
  - l. Out-door advertising and hoarding
  - i. Movement and keeping of pets of all description
  - ii. Shops and kiosks.
  - iii. Restaurants, bakeries and other places for sale of food to the public
  - iv. Laundries
  - v. Licensing, regulation and control of the sale of liquor.

Meanwhile, it has also been observed that the functions of a local government council shall include the participation of such council in the Government of a State as respects the following matters:

- i. The provision and maintenance of primary, adult and vocational education
- ii. The development of agriculture and natural resources, other than the exploitation of minerals; and
- iii. Such other functions as may be conferred on a local government council by the house of assembly of the state.

Arising from the above statutory functions and responsibilities that are assigned to local government across the country is the fact that if only these tasks can be meticulously implemented; the living conditions of the rural populace will definitely be positively impacted for the better. This is due to the fact that these functions touched virtually on all aspects of community and rural development as well as human capacity development. Since, rural development have to in the main take cognisance of the people for whom these social infrastructure are meant; because development will be void and meaningless if the people cannot make sense of it.

## **EVALUATION OF THE PERFORMACE OF LOCAL GOVERNMENTS AND RURAL DEVELOPMENT IN BAYESA STATE**

Local government based on conventional reasoning and as established by the law is meant to bring government closer to the people at the grassroots as well as make them feel the impacts of government through social service and infrastructure provisioning. This therefore, implicates the fact that an effective and efficient local government system is a *sine qua non* for both rural and national development by improving the quality of life of the inhabitants of rural communities.

The twin concepts of local government and rural development are mutually interdependent and reinforcing. This is so because the creation of local government councils were necessitated not just by the need to bring government nearer to the people at the grass root level; but mainly as a tool for initiating, enhancing and sustaining development of rural communities. This is aimed at bridging the developmental gulf between the urban and rural areas, which will in turn help in countervailing and curtailing the rate of rural-urban migration that result in urban criminality and congestion problem. The import of the foregoing is that the onus of rural development rest on local government councils and/or authorities. Specifically, right from the 1976 local government reform to

the 1999 constitution, local government as indicated in earlier part of the study are charged with the task of providing and delivering certain services to people at the rural places such as creation and maintenance of feeder roads, rural agriculture, establishment of market and motor parks, burial grounds, portable water supply, rural electrification *et cetera*.

On this note both the justification for and success of any local government council is empirically measured by its ability to provide those services as outlined in the constitution and such other statutory documents to its populace. Hence, Abada (2007) stated that local government is not established merely to provide essential services, which is centered on maintenance system, but is judged by the development observed in the area that actually contribute to the satisfaction of the local citizens within the area. Interestingly, the socio-economic realities of the rural communities in Bayelsa state indicate that local governments in the country have not been living up to their biddings and expectations. In this way most communities within the state cannot boast of a functional and well-equipped cottage hospitals and health centres; even where they exist they are at best mere dispensaries. The same is the case in the area of transportation; where most communities in the state do not have motorable roads; besides some communities cannot easily access their neighbours either due to the absence of bridge that can link them or that the existing ones are in state of utter disrepair. Besides, most markets in the state (even those in the Capital city of Yenagoa, apart from the Swali market) are of make shift nature; and lack necessary facilities like parks, abattoirs and even adequate stalls. Hence, buyers and sellers usually conduct their transactions on the main road thereby causing serious traffic jam this is usually the case every Saturday at the site of Kpansia market along Isaac Boro express way in Yenagoa. Though the combined effect of climate change and oil spillage have been undermining agricultural production in the state; however, the local governments in the state have not been helping matter. As they have not been granting extension services to the rural farmers and fishermen as well as providing them with farm inputs and implements that can boost their rate of productivity and consequently improve their income.

Basically, the rural communities in Bayelsa State just like in other parts of the country, the living condition (standard of living) of the people have nothing to write home about. In fact, the living condition of the people is so deplorable to the extent that they suffer from lack of access roads both to and from their farm not to mention bridges bearing in mind the water logged and/or swampy nature of the terrain; dearth of functional medical centres and health facilities; absence of processing and storage facilities for the farm produce of rural farmer. Basically, the people suffer from lack of access to portable drinking water such that the same river they bath in, wash their cloths in, swim in, is at the same time their source of cooking and drinking water. Although, the problem of electricity appears to be a pandemic and endemic challenge to the entire Nigerian state, however, the situation Bayelsa State appears the worst. For instance it was observed that between the third quarter of 2013 to third quarter of 2014 , the people of the Ogbia local government

area groped in darkness, due to the fact that the gas turbine that supply power to the area broke-down and requires repair.

The implication of the above scenario in addition to other observations made by the researchers in the course of the study is that the Local Governments in the state have failed in their responsibility of serving as engine for rural development through efficient service delivery and provision of rural infrastructure to complement that the Federal and State governments respectively in their respective areas of jurisdiction.

## **PROBLEMS FACING LOCAL GOVERNMENTS IN THEIR QUEST FOR RURAL DEVELOPMENT**

In its quest towards discharging its constitutional and/or statutory functions local governments in Bayelsa State and nay the entire country usually encounter a number of challenges.

**Swampy nature of the its terrain:** the terrain of Bayelsa state as do that of other core Niger Delta states are basically swampy in nature do to its riverine topography. This easily water-logged condition of the areas makes road construction in the area a huge financial endeavour. Hence, it becomes difficult for local governments in the state to embark on such multi-million naira guzzling projects.

**Poor revenue base:** local governments in Nigeria suffer from poor internal revenue generating base. This situation arise mainly due to the fact that both the duo of federal and state governments respectively arrogate to themselves all the juicy sources of revenue and then left the local government with such matters like dog and bicycle license that hardly generate meaningful revenue. Again, most local government due to over dependence on federal allocations either abandoned their internal sources of revenue or lacks the requisite machinery and manpower to collect.

**Lack of autonomy:** local governments theoretically are meant to enjoy a measure of autonomy and independence in its relations with other levels of government. In fact, the 1999 constitution of the Federal Republic of Nigeria and the guideline for the 1976 local government reform sees the local government as the third (3<sup>rd</sup>) tier of government in the country that has substantial autonomy an independence from the other two levels. However, experience over the years have shown that in practice local governments in the country are denied of its autonomy through complex of practices and interference in its routine activities especially by the state government that meddles into such areas like finance, appointment and siting of projects.

**Lack of qualified manpower:** Another major challenge that confronts local governments is the shortage of qualified personnel. In this regard, local governments are usually staffed with crops of leadership that are devoid of administrative finesse. The implication of this is that they appear ill-equipped for the job and find it difficult to deliver on the job.

**Mal-administration and poor resource management:** this issue is itself linked to the problem of lack of qualified personnel. As noted earlier local government leadership are usually peopled by class of people that lack the requisite administrative prowess needed to

successfully pilot the affairs of local government. In this manner they tend to lavish and mismanage the scarce resources at their disposal which could have been frugally managed by adding value to the lives of the people at the grassroots.

**Problems of godfatherism and zoning of political positions:** The negative effects of the twin issues of godfatherism and zoning of political offices on the ability of local government to satisfy the rationale for its creation can never be overstated. This is so because political godfathers naturally possess the proclivity and propensity of making huge financial and appointment demands on their political godsons once elected into office, which hampers the developmental efforts at executing populist projects and programme. In a similar vein, the zoning of political offices equally impact negatively on the class of leadership that emerges; since the community whose turn it is must produce the leader whether qualified or not.

**Corruption and Embezzlement of Public Fund:** Corruption which is the deviation from accepted standard is another problem facing local governments and therefore stifles development. Here, local government officials usually embezzle money that is meant for developmental projects. In the same vein, revenue collectors/officials equally under-record the actually amount collected or in most cases issue fake (their personal) payment receipts to taxpayers and in this way they deny the local governments of funds needed to execute projects and programmes that will positively impact on the quality of life of the rural populace.

## CONCLUSION/RECOMMENDATIONS

The establishment of local governments as the third tier of government in the country as do in all country's of the world was necessitated by the need to adequately address the developmental needs of the rural communities. In the light of this, the study investigated the role and performance of local government in Nigeria vis-à-vis rural development with Bayelsa state as case study. On this note, the revealed that the performance of local governments in Bayelsa state, nay the country in this regard falls short of expectations. As the people continue to suffer from the very conditions they have been into before local government contrivance. However, it was equally observed that a number of problems and/or challenges confront local governments in the country (Bayelsa State inclusive); among which are corruption, practice of godfatherism; imposition of candidate; zoning of political positions; lack of qualified personnel; lack of internal revenue base; lack of autonomy and mis-management of scarce resources. Based on the above findings, the study recommended that for local governments in the country to truly served as instrument of rural development; first, its autonomy must be restored and respected; second, the statutory responsibilities assigned to it must be aligned with it taxing power. Third, such practice like god-fatherism, zoning of political positions and imposition of candidates must be jettisoned. Fourth, strict punitive measures must be meted out for corrupt local government officials that embezzle or divert public funds



meant for rural development for private use; instead of the current practice of plea bargaining by EFCC as a deterrent to others.

We are of the view that if these measures are adopted and strictly implemented that the lots of the rural dwellers around the country will be positively impacted on and improved upon.

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# YOUTHS IN COMMUNITY DEVELOPMENT IN NIGERIA

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## **Abstract**

The paper addresses issue of youths into the sphere of community development in Nigeria. It states that Nigerian communities especially the rural area are characterized by abject poverty, neglect, poor coordination and supervision of development programmes. It also submits that the force and vigor among the youths for community development has reduced to the barest as compared with the earliest days of pre-independence and post-independent Nigeria. The paper identifies problems associated with mobilization of youths for community development programmes and the relevant groups and structures that youth can use to accelerate development in their communities. The paper concludes that success can only be achieved if the whole community is committed.

**Keywords:** Youth, Community, Development, Nigeria

## **Introduction**

The idea of self-help is one of several distinguishing features of rural community development theory, practice and ideology. It is based on the premise that people can, will and should collaborate to solve community problems. In addition to the practical problem-solving utility of this perspective, self-help builds a strong sense of community and a foundation for future collaboration. It embodies the notion that a community can achieve greater self-determination within constraints imposed by the larger political economy in which it is imbedded. In community development practice, it is rudimentary that the solution to community problems is sought first within the community and its resources and capabilities. Hence self-help embodies two interrelated features: (1) it is expected to produce improvements of people's living conditions, facilities, and/or services; and (2) it emphasizes that the process by which these improvements are achieved is essential to the development of the community.

Youths have a great role to play in community development in Nigeria as they are being considered to be the active working group. The youths been considered the active working group can be mobilized to ensure and bring about the development of their

community. But the structural characteristics of our economy that is bedeviled with a lot of challenges such as poor quality education, poverty, insecurity etc have pauperized the youth's initiatives and creativity that the thinking levels for community development have been reduced to self survival. In other words, in Nigeria people are generally looking out to how to survive daily than how to improve the society for the betterment of everyone. With the abundant human and natural resources available in Nigeria, if fully utilized can reduce the level of poverty and improve sustainable human development.

Youths have a solution to the problem, if they will mobilize their fellow youths to embark on community development and self-help projects that will make them compete among themselves. Already some communities in Nigeria have formed their Youth's Community Development Associations (YCDA) long ago for the improvement of their living conditions. The various governments in Nigeria have in the past introduced various community development programmes for the benefit of all citizens irrespective of sex. Programmes includes: Directorate of Food, Road and Rural Infrastructure (DFRRI), National Agricultural and Land Development Authority (NALDA), Small and Medium Enterprises (SME) etc. However, these programmes seem to have achieved little. Despite the efforts made in the past to effect development at the rural areas, the conditions of the community dwellers have not improved, rather they have further deteriorated. The effort of youth at mobilization for community development has also reduced. It is against this background that this paper examines "the mobilization of youths for community development in Nigeria".

### **The Concept of Community Development**

The term community development has been viewed by many authors in several ways, each of them presenting definition to connote their educational background and profession. The assumption is that one can easily arrive at the definition of community development by combining the concepts of community and development. Defining the concept itself is bereft with multiple crisis, however, this is not the concern of the paper. Community development is an elusive concept, hence the various views and definitions based on the scholars background as well as time and clime.

Community development combines the idea of "community" with "development" hence the concept of Community plus Development. The concept of community has been described as a group of people with a shared identity. Hence, community development relies on interaction between people and joint action, rather than individual activity – what some sociologists call "collective agency" (Flora et.al., 1992). As an individual word, "development" is a process that increases choices, heralding new options, diversification, thinking about apparent issues differently and anticipating change (Christenson et.al., 1989). Development involves change, improvement and vitality; a directed attempt to improve participation, flexibility, equity, attitudes, the function of institutions and the quality of life. It is the creation of wealth – wealth meaning the things people value, not just dollars (Shaffer, 1989). It leads to a net addition to community assets, avoiding the

“zero sum” situation where a job created “here”, is a job lost “there”. Putting the two terms together, community development; means that a community itself engages in a process aimed at improving the social, economic and environmental situation of the community. The community is both the means and the end of community development. The community itself takes action and participates together. It is through this action that the community becomes more vital, not just economically but as a strong functioning community in itself.

According to Aminu (2012) Community development is the process whereby the some citizens mobilize their members so as to map out a strategy of improving their community through collective efforts. Collective efforts mean the ability to have full participation of members to be able to make use of their local resources in order to improve their living condition and standard. But the United Nations (1963) defined community development “as the process by which efforts of the people themselves are united with those of the government authorities to improve the economic, social and cultural conditions of the communities to integrate them into the life of the nation and to enable them to contribute fully to national progress”. Therefore, the United Nations definition of community development implies the participation of both the community and the government.

In his contribution, Ogo (1996) sees community development as a move by the people (community members) to provide their basic needs through their own efforts and sometimes with external assistance (where necessary and possible). He asserted that though this external assistance can come or not, but it is believed by professionals in community development that adequate injection of external assistance in self help endeavors by the communities, reinforce local development actions.

The United States International co-operation administration (1956) defines community development as a “method by which national government reaches out to people at the village level and helps them use local initiative and resources to achieve increased production and higher standard of living”. This contribution presents community development as a social process within the community which gives room to community members not only to identify their areas of need (felt needs) but also go on to offer solutions from within their local resources.

Since community development implies change for better, the concept suggests that people are not whatever circumstance detects for them. They have the capacity to make creative impute to the improvement of their situation and the mastery of their environment. This may have informed the definition of Nzeneri (1995) who attributed it to hard work and maintains that community development is “self-help and hard work freely undertaken by youths and adults through the inspired vision for better standard of living for the country as a group”. Barikor (1984) gave an all embracing, contemporary definition of community development. He submits that community development by contemporary standard is “an amalgam of many dynamic and complementary factors

involving education, economic, socio-political, cultural effort to emancipate the community from retrogressive tradition, poverty, ignorance and disease”.

In recent times, social workers, as they extend their views to international programmes, see community development as an excellent vehicle for the expanded expression of western social work philosophy and organizational methods. Some would equate community development to community welfare organization particularly in the urban areas. Yet, community development through its programmes is more detailed.

### **History of Community Development in Nigeria**

That community participation in rural project development is an important element and a sure way to the speedy development of the rural areas in Nigeria is well attested to in development literature hence Okafor (1984); Udoeye (1986); Muoghalu (1986) and (1987). The need to develop the rural areas and to a large extent, reduce the contrasting scenario of urban opulence and rural decadence has equally received ample documentation in literature (Hansen and Schulz, 1981).

To properly bring to light the evolution of community development practice in Nigeria we shall employ the epochal classification used by the Emeh, Eluwa & Ukah, 2012. The evolution of the practice of self-help development activities according to them has the following periodic dimensions; the pre-colonial, the colonial up to 1939, the period from 1940 to the Nigerian Civil War, the civil war years and the post civil war years to the present democratic settings. Before the onset of colonial administration, communities across Nigeria had employed communal efforts as the mechanism for mobilizing community resources to provide physical improvement and functional facilities in the social, political and economic aspects of their lives. Communal labour was employed in constructing homesteads, clearing farm lands, roads or path way, construction of bridges and for the provision of other social infrastructural facilities required by the people. Some of the relevant institutions were the age-grades and the village councils. Though some of these institutions have persisted, the difference between self-help activities undertaken in the past and those prosecuted today are not hard to find, hence the widening and complexing modern society and its complex web.

Perceptibly, differences exist in the mode and scope of the operations, equipment utilized and the extent of government involvement. As Idode (1989) observed, in the past, self help efforts in Nigeria particularly in Bendel State now Edo and Delta States mainly related to the construction of footpaths or roads, dredging of rivers and streams, clearing of public land and market places. Later, he further observed, the scope of operation included the building of schools and market stalls. Projects such as pipe-borne water, road tarring, dispensaries, and cottage hospitals and so on, were not usually attempted. Furthermore equipment used was simple; hoes, cutlasses, diggers and shovels were generally utilized. The construction of walls did not follow any standard measurements as the people used their imagination to plan and construct such projects. At this stage, there was little or no government involvement as the planning and execution of these self-help

projects was the sole responsibility of the people. Where the government was involved at all, was for the purposes of taking over completed projects for operation or maintenance. But where neither the state government nor the local government councils were interested in such project, the missionaries took over.

During the colonial period, community development efforts took a compulsive and coercive turn. The alien governmental apparatus with its clientele (Warrant Chief) arrangement, extorted taxes and compulsory labour from the people. Taxation by itself questioned the rationality of further labour conscription for road and other infrastructural development at the instance of the District Commissioner. The contradictions in the new development effort, therefore, did not fire the corporate imagination of the people and this was given expression by the tax debacle of 1929, popularly known as the Aba women riot. It questioned the whole essence of the tax laws as established then, the imposition of the Roads and River Ordinance and the apparent shirking of development responsibility by a government that had already extorted taxes for this purpose.

Apart from the establishment of governmental exploitative infrastructural apparatus, linking the major seats of government through forced labour, no serious self-help programmes eliciting popular participation was encouraged. Any development that occurred was a by-product of profit (Hancock, 1942). Nonetheless at very local levels, the family, interfamily and village settings, the pre-colonial trappings of mutual assistance through self-help persisted for the construction of homesteads, clearing farmlands, clearing water points and for providing other socially felt needs. Church organizations were also able to cooperate with members for the building of schools. By the late 1940's however, an element of modern community concept in rural development was introduced in the form of mass mobilization for self-help activities. This was heralded by the abrogation in Britain of the Colonial Development Act which was replaced by the Development and Welfare Act in 1939. As rightly noted by Arndt, (1981), this gave a positive economic and social content to the philosophy of colonial trusteeship by affirming the need for minimum standards of nutrition health and education.

At the local level, the earlier Native Authority Councils were replaced by the Country Council. Suffice it to say that this development led to the establishment of Community Development Division at the local level and thus became an important organ of government, charged with the responsibility of channeling and coordinating the efforts of the people towards promoting social and economic development (Onwuzulike, 1987). The Development and Welfare Fund provided for the colonies by the British Government was thus able to permeate to the grassroots level through this third tier of government. By the late 1940's however, an element of modern community concept in rural development was introduced in the form of mass mobilization for self-help activities.

By the beginning of the war in 1967, the observations of Sir James Robertson, aptly typified the state of development needs and awareness and the immense role the governments expected self-help activities to play to compliment their efforts. After the Nigerian Civil War (1967- 1970), the need for massive reconstruction work further

aroused the people a revival of the spirit of self-help which is deeply rooted in their rich traditions. Most communities realized that the only way for immediate reconstruction of the war ravaged facilities was through self-help. This period also marked the evolution of a multiplicity of social clubs with aims consonant with social insurance and self-help. Further efforts by government to motivate development at the grassroots, led to the enactment of the 1976 Local Government Reform, to create new growth centres for further spatial spread of development. In addition is the creation of the local government service commission, the conferment of wider powers and functions to the Local Governments by the 1979 constitution and the enactment of the special Development Fund Law, aimed at generating more funds for community development at the local level sufficed. Thus, deliberate government support became necessary to increase the spate of development activities by the various communities (Akpomivie, 2010).

The period between 1973 and 2007 marked a watershed in rural development efforts in Nigeria. The period witnessed deliberate government efforts at mobilizing the people for rural development. A number of task forces and bodies were set up to oversee, organize and to direct partnership with the people on self-help activities. They include: Directorate of Food, Roads and Rural infrastructure (DFRRI), Rural Electrification Schemes; Credit Schemes to small holders through various specialized institutions such as People's Bank, Agricultural and Cooperative Development Bank, Community Banks, NERFUND, SME Credit Schemes, the Family Economic Advancement Programme (FEAP), Universal Primary Education Schemes and Low Cost Housing Schemes, Health Scheme as the Primary Health Care Programme, National Directorate of Employment (NDE), Better Life for Rural Women Programme as well as the Family Support Programme (FSP). More recent programmes include the National Poverty Eradication Programme (NAPEP), the YOUWIN program as well as the Small and Medium Industries Equity Investment Schemes (SMIEIS).

The various state governments had also articulated blueprints on rural development, adopting the Integrated Rural Development Strategy as their strategic option to carry development to the masses. From the foregoing historical analysis, two principles underlying rural community development activities have emerged. These are (a) the principle of individual and corporate survival and (b) the principle of societal "felt need". These two principles have variously acted as the motive force in organizing and mobilizing the people in their pursuit of self development.

### **Position of Youths in Community Development Programmes in Nigeria**

'Youths are great assets in the society'. This statement is true because youths have played a great role and are still playing an important role in community and rural development. Many Nigerian youths lives in the rural areas and have being trying their best to improve their status through the community development programmes. The issue is that youths need to participate actively in community development as they will one day become self sufficient.



According to Aminu (2012) Most of the youth's community development programmes are meant to achieve the following objectives.

1. To make youth to be self-reliant through self-help projects
2. To ensure that youths are fully integrated into the nation building through community development.
3. To encourage youth communities to co-operate with government and nongovernmental organizations for the upliftment of their fellow youths.
4. To educate and stimulate youths groups to accept change for the improvement of their living standard.
5. To mobilize youths to be aware of the importance of the formation of Youth cooperative groups.

In the case of rural development, youths have a role to play because most youths live in the rural areas and the aim of the formation of youth's community development programmes is to improve rural development. Kumar (1981) stated that rural development is "a movement designed to promote better living conditions for the whole community through active participation of the people themselves". This signifies that rural development can only succeed when it is duly accepted by the people. Decree No. 4 of 1986 establishing (DFRRI) has defined rural development as a process through which rural needs are identified, human and mental resources mobilized and exploited to meet rural needs such as food, raw materials, roads, water, electricity, schools, health facilities etc and economic social participation and economic self-reliance in the community.

However, the disparity in the rural and urban development in Nigeria can be said to be attributable to the apparent neglect by government for not discouraging the rural-urban drift. Ballara (1981) and Oyaide (1989) agreed that one of the factors responsible for the rural-urban migration is the absence of basic social facilities in the rural areas. It has also been equally argued that most problems of large cities are caused by rural-urban migration (Ani 1999) In an effort to accelerate rural development through youth's participation cannot be over emphasized as youths are deeply involved in self-help projects in various local governments in Nigeria especially projects that involve Trade, Commerce, Home Economics, small and medium term enterprises and agriculture. These self-help projects can be classified into two: Government Aided Projects (GAP) and Non-Government Aided Projects (NGAP). Government aid projects are those executed with the assistance of the government in either finance or material resources while nongovernment aid projects are those executed solely with collective effort of community members.

In recent time, youths have realized the importance of self-help projects in improving the way of life and living standards of their communities. Such self-help is collective efforts of the community to ensure that their efforts are based on their initiatives to achieve maximum benefit with or without the assistance of government.

Some of the contributions of youths in community development projects according to Aminu (2012) include:

1. Educating the rural community on the use of improved seeds or farming techniques through the Young Farmers Club.
2. Clearing and draining of drainages/culverts
3. Sinking of ordinary dug-out wells
4. Renovation of clinics, health centres/dispensaries in the rural areas
5. Construction of rural feeder roads
6. Assistance to the less privileged in the society and
7. Other community programmes include; Youths clubs enlighten fellow youth and women on HIV/AIDS, Women and Children trafficking, child labour and VVS.

One is now convinced that the youths have contributed much to community development in Nigeria. But the belief still is that, Nigerian rural sector is characterized by abject poverty, neglect, poor coordination and supervision of rural development programmes. These factors have resulted in the inability of both the government and Youth's organizations to achieve meaningful rural development through community development..

### **Agents of Mobilization for Community Development**

The following are the agents that youths can use or mobilize to help in their quest for accelerated development in their communities. Communities have used and are using this agencies to their advantages.

#### **The Local Government**

The local government being the government nearest to the populace, is one of the best mobilizations for generating motivations and encouraging mobilization for self-help, as well as including the much needed wider participation of the local population in the decision making process at the local level. According to Scouma, "the so-called third world is a rural world where any meaningful discussion of rural development really means not only "talking of overall national development," but because "it is in the rural areas that the problems of inequitable distribution of resources or a marked lack of purchasing power and of grinding poverty in which the wretched members of society stagnate and stare one in the face with brutal clarity. The raison d'être of the local government in Nigeria is to, at least halt the deteriorating living conditions in the rural areas of this country. An effective local government will be better disposed than the state or federal government, not only to stem the grim reality of the „rising tide of rural poverty but also be more able to evoke the spirit of locality corporation thereby being more able to galvanise and mobilise the support of local citizenry in participating in all the programmes that may affect them"

#### **The Formal but Non-Government**

In Nigeria today, there are no fewer than Ninety-Seven Thousand (97,000) rural communities and government has been encouraging these communities to form development associations. These associations will thus become agents at the cutting edge of development at the grassroots level. If these various individuals as well as associations

are separate units and to take on the development of themselves and their communities in their own hands, they first have to be educated to the fact that they have the capacity to bring about change in themselves and their environment; and then, they have to be empowered through political education to be willing to take on this responsibility. This is where the directorate of social mobilisation are working in concert to realise the objective of mobilising the people to usher in a new era of integrated and authentic rural development which is human centred.

In the rural and urban communities today, there are such formal and organised voluntary associations such as the town unions, community development associations, social clubs, corporative movements, professional bodies (National Union of Road Transport Workers), Bar associations, medical Associations, Fraternities such The Rotary Clubs, churches/mosques etc, whose membership and cultural affinities cut across the length and breadth of this country. Often time, these associations seek to promote not only the welfare of their members but also sporadically undertake the welfare interest of the society within which they live. Some of the members of these associations cut across ethnic and cultural cleavages and they could become veritable instruments of mobilising local citizenry since they live amidst them.

### **The Non-Formal Organisations**

At the community level can also be found non-formal or not so well organised pressure group associations that equally can influence the local populace. These associations include market associations, student unions, umuada associations, village elders' council etc. These organisations found out that the most critical local levels of the society could also be used as mobilising agents at the local levels of Nigeria.

### **Traditional/Institutions**

It is no longer a secret to know that certain persons, for example the traditional rulers posses and exercise great influence on the masses. Somehow, traditional rulers still enjoy the confidence and great respect of the greater part of Nigerian populations, to such a degree that they still remain undisputable force to reckon with for effective and successful mobilisation of efforts. This statement is true in the South Western part of Nigeria, especially among the Yorubas and Binis, truer in the Northern part of the country where the Emirs, to a large extent, hold sway over the lives and activities of those in their domain; but less true in the South Eastern part of the country, especially among the Ibos, the Ibibios and the Ijaws whose egalitarian and republican way of live make them less amenable to unalloyed loyalty and unresolved obeisance to their traditional rulers. Also, these days of Naira Chiefs (most of the traditional stools are keenly contested by various wealthy aspirants and since these traditional rulers are in-charge of various villages or communities, the views and status of the victor, after the usual life and death contest may hardly be respected outside his own immediate village within the town). Therefore, excessive reliance on the so-called traditional rulers especially in the eastern part of the country for purposes of mass mobilisation may boomerang especially if they are at logger

heads with the people-oriented and people-elected interest groups such as town unions, social clubs, etc. Therefore, in the Eastern part of Nigeria as opposed to those states in the West and in the North, there should be a cautious use of agents of mass mobilisation for self-help efforts in rural development.

### **Problems of Community Development in Nigeria**

Every profession or field has peculiar challenges associated with it. Community development practitioners in course of their profession are faced with the problem of mobilization, culture and tradition, adoption of change conflict and finance. The essence of this section is to empower the youths with knowledge of the impediments to community development so as not to be deter by this challenges rather they should see it a means to an end and not an end in itself. Succumbing this challenges ultimately means bringing and accelerating growth and development through self help practices.

### **Mobilization of Community Members**

It is a common knowledge that in communities there are different categories of people; the rich, poor, educated, illiterate etc. As these categories are, so are their level of understanding and reaction to issues. Most people have natural tendency to resist innovations or change especially when they are not informed of the innovations. To be able to elicit the participation of a greater number of the member of the community, in any community development programme or project, the youth is faced with the problem of mobilization, which poses great challenge to the success of the programme or project. Mobilization is the process of putting people (individuals or groups) into readiness for active service or arousing their interest and consciousness for programmes or projects which will be of benefit to them (Imhabekhai and Oyitso, 2002). This problem tend to discourage the practitioner from continuing with any project because, community development itself is all about mobilization and support from the populace.

### **Participation**

Participation is a process by which members of a community actively take part in the programmes and projects of the community. In most cases, this is always a problem to the practitioners, as it is always difficult to ensure that everybody in the community gets involved. To the practitioners, it is acceptable, if a good number of the members of the community are involved in a programme or project. This takes us to the issue of popular participation. The underlining factor is that, since not every member of the community can be made to participate in community development programmes or projects, a good representation of all segments of the community, men, women and youth irrespective of their economic status, political affiliation, religion, level of education etc, should be involved in the planning and implementation of programme and projects designed for the improvement of their community (Hanachor, 2005).

### **Culture and Tradition**

Culture is the way of life of a people, the totality of their custom, norms and tradition (Tailor, 1963). Most community members are addicted to the culture and tradition of their community. In most cases these cultural practices and tradition tend to go at variance with the focus and expectations of the practitioners, thereby posing difficulties in the execution of such development programmes or projects targeted at liberating the people from their retrogressive cultural practices.

### **Conflict and Crises**

When communities are infested with conflict and crises, it becomes both difficult and dangerous for community development practitioners to carry out their task. Conflict implies disagreement, resulting from divergent perception of issues of common interest. Conflict can be described as a collision of two or more sets of needs, interest and motives within individuals or groups (Imhabekhai and Oytso 2002). Conflict is an integral part of human life, and cannot be avoided as long as individuals interact with one another or groups. The management of conflict in communities is a great challenge to community development practitioners, hence they need to make assurance double sure that they take control of the situation. When conflicts are poorly managed, they degenerate into crises, a situation of intense danger.

### **Adoption of Change**

In course of exposure and interaction of individuals with people outside the community, they learn certain practices, belief system, new methods of doing certain thing, which if adopted could transform their community. To the community development practitioner, this would be a welcome development, but because most people in communities are usually adamant to change, the challenge therefore will be how to convince the community members that the adoption of the change or innovation will facilitate the development of their community.

### **Finance**

The importance of finance in the implementation of community development programme and projects cannot be over emphasized. No matter how fantastic the development plans of a practitioner may be, without finance the good plans will translate to nothing. After planning, the practitioner is faced with the problem of raising fund for the implementation of all the plans. Adequate funding of any programme or project guarantee successful execution, but inadequate funding often leads to snail speed execution of projects and if nothing is done to improve the funding, it may result to abandonment of the programme or project. When a community development programme or project is abandoned due to lack of fund, development practitioners find it difficult to mobilize the community members to complete the project, let alone embark on a new project.

### **Pull Him/Her down Syndrome**

This challenge comes from the youths themselves. Where other youths denied their support to the quest for development due to the fact that they perceive the other as trying to become a hero, hence, they will serve as a clog in the effort for community development. They try to pull the practitioners down via backbiting, intimidation, allegations and castigation. This is sometimes due to fallout in groups, envy, jealous and sometimes family differences.

### **Conclusion**

Community development in Nigeria is not a recent phenomenon; it has been around right from pre-colonial times. However, in recent times the tune of community development is mostly dictated by the government via structures and institutions put in place. Genuine development strides initiated. Planned and executed by the youths is gradually eroding and this must not continue if the development balance must be achieved. The impediments to community development are surmountable and should never be a discouraging factor since they are known; they can be overcome.

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# **THE POLITICS OF WOMEN EMPOWERMENT IN NIGERIA, 1999-2010**

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## **Introduction**

Women constitute 49.19% of the population of Nigeria (FRN Official Gazette, 2007). By reason of their physiology, women are known to play vital roles as mothers. The social and economic responsibilities that come with this biological function make women a peculiar force in the overall development of the country. They function as producers, time-managers, community organizers, and social and political activist (Amujiri, 2007:15). Thus, as Onah (2002:4), rightly observed, the neglect of women in the development process of any country constitutes a human resource gap and is enormously antithetical to real economic, social and political development of such a country.

Following the United Nations declaration of a decade for women development (1975-1985), many countries began to direct policies geared to the empowerment of women socially, economically, and politically. Nigeria, in contrast, did not pay much attention to the integration of women into the mainstream of national affairs. Consequently, women reproductive, productive and community development capabilities were marginalized. Nigerian development planning since the colonial period until at present was “gender blind” as a result of the continuous interaction of the strong inhibiting effects of traditionalism and capitalist ideologies on women (Nzelibe, 2010:1).

However, the turnout of events in the eighties aroused much concern by women themselves to improve their conditions beyond reducing individual poverty. In particular, Nigerian women felt that they have more to offer to the development of the country other than limiting their abilities and capacities to home management.

The concern for women empowerment and development informed the initiation of numerous World Conferences by women. Such conferences as the United Nations Conference in Mexico City (1975) and Copenhagen (1980), the Arusha forward looking strategies for the Advancement of Women Conference, Nairobi, Kenya (1985), the Abuja Forth Regional Conference on the integration of Women in Development (1989); the First Ladies of African Summit meeting held in Abuja (1992); the Beijing conference of 1995 etc were all collective actions by women to draw attention to themselves and deepen their involvement and relevance in the educational, socio-cultural, political and economic processes of development of their various countries.

The discourse around the issue of politics and women empowerment has witnessed a continuous intellectual debate including changes in development programming in Nigeria.



However, the fundamental subject of “needs” and “interest” vis-à-vis politics and women empowerment have remained a tough issue to reconcile (Agbalajobi, 2010:75). Thus, even though Nigerian women make up a good proportion of the population of the country, they have remained the most impoverished segment of the society on account of antiquated and harmful laws, customs and norms that conspire to keep them on the breadline (Effah-Attoe, 2010:1).

It is disheartening to note that the marginalization of women in Nigeria had, for a time, constitutional backing. For example, the 1922 Sir Hugh Clifford Constitution disenfranchised women in Nigeria. It was only in 1999 that the Federal Constitution of Nigeria guaranteed the rights of women to participate fully in politics. Over the years, a number of conferences both international and local have been organized to enhance the empowerment of women in the political process. The most prominent being the Beijing Conference of September, 1995 which canvassed for 35 percent affirmative action for women. Despite these efforts, the Nigerian women are still being discriminated against and marginalized in relation to appointments into public offices particularly into the elective ones (Umar and Abdullahi, 2007:58 ).

Since an intricate relationship exists between political empowerment and other forms of empowerment, disempowerment at the political plane has capacity to thwart the potentialities that women exude and therefore limit their abilities to contribute to the development of the state. One of the visible challenges facing the Nigerian women is courting the ‘politics of centering or liberation’ whereby women are placed at the centre without being empowered. According to Dauda (2004:82), motherhood leaves the African women at the centre but not necessarily in power. This fact explains why despite the considerable population of Nigerian women, it is amazing that they have often failed to leverage on their numerical strength and potentials and successfully place their demands on the right platform in their quest to enhance their status in the society for the meaningful development of the country. Perhaps, the greatest problem of the women is the women themselves. In the views of Dame Patience Jonathan at the launch of her pet project, “Nigeria’s Women for Change”, at the International Conference Centre, Abuja in 2010, “women need to work towards placing more value on each other and be there for each other by avoiding the “pull her down syndrome”(Effah-Attoe,2010:5).

To this end, the broad objective of the study is to investigate and analyze the dynamics informing and affecting the politics of women empowerment in Nigeria. The specific objectives of the work are to:

- i. examine the status of women in the politics of Nigeria from 1999 to 2010.
- ii. identify and elucidate the dynamics that affected women empowerment in Nigeria between 1999 and 2010.
- iii. proffer possible panacea to the problems of women empowerment in Nigeria.

However, in order to get better informed, the literature on the politics of women empowerment in Nigeria is thematically organized into the following sub-themes and reviewed:

- (i) The Concept of Politics
- (ii) Women and Political participation
- (iii) Empowerment of women,

### **The Concept of Politics**

The Greek conception of politics more accurately refers to a process by which men debate matters concerning the *polis*, which is, the political community, and takes actions in an attempt to realize the public interest or the common good. However, a search through the literature confounds the students with numerous definitions of politics. Ideas of politics such as “the authoritative allocation of values”, “the act of determining who gets what, when and how”, “the act of the possible”, “the struggle for state power” among others, have all been formulated as definition of politics. (Easton, 1971:136; Knopf, 1971:64; Lasswell, 1936:42; Dahl, 1995:124; Wright, 1955:32; Ranny, 1975:41 and Dyke, 1960:75).

While there has been a wide range of definitions, most of them can be classified as either belonging to the Classist/Institutionalist or the Behaviouralist schools of thought (Gracia, 1965:82-87). The Classist/Institutionalist identified politics with government, “legal government” or the “state”, while the Behaviouralist revolve around the notions of “power” “authority” and /or “conflict”. The view of the Institutionalist which equates politics with the formal institutions of the state is considered too restrictive. The emphasis of the definition should be placed not on institutions but in Easton’s words, on “a kind of activity that may express itself through a variety of institutions” (Easton, 1960:138).

An alternative definition offered by the Behaviouralist equates politics with ‘power’ ‘authority’ or ‘conflict’. Thus for them, politics gives an answer to the question of ‘who gets what, when and how?’ The appeal of the behaviouralist school flows out from its apparent flexibility or wide scope. Politics is found wherever power, relationships or conflict situations exist, which means that the political scientist can legitimately study the politics of a labour union or corporation, religious organization, as well as what goes on in a legislature or administrative agencies (Gracia, 1965:87)

The Eastonian definition of politics as the “authoritative allocation of values for a society” is considered useful by political scientists. It emphasizes political activity rather than institution. The authoritative allocation of values, in the opinion of Easton is the kind of activity we should be interested in. The first assumption is that in every society, values are desired. That is, people have different interests or objectives, and these must be allocated or distributed by someone or something. Therefore, the behaviouralist approach to the definition of politics is more comprehensive. Politics is considered as the activities and process that takes place in the political realm. Thus, in this vein, Dyke (1960:75) defined politics as “a struggle among actors pursuing conflicting desires on public issues”. Winter and Bellows (1981:53) suggested a definition that contains elements of the thoughts by Dyke and Easton namely, that “politics is a struggle between actors pursuing conflicting desires on issue that may result in authoritative allocation of values”.

Nevertheless, while there is no best definition of politics, most political scientist agree that politics has something to do with power, influence and authority, which are the central organizing concepts of the study of politics. Thus, to understand the subject of politics, two elements are important: Power and Interest. These two elements are very crucial to the study of politics as their interactions help to define political behavior and as such give meaning to what politics is all about? Man in the opinion of Aristotle, is a political animal (Baker, 1962:38). He desires to have his own way uninhibited but this cannot certainly be, as someone's desire may conflict with another person's desire thereby resulting into a disagreement. One person may desire the legalization of abortion, another person its proscription. A third person may want the army out of politics while a fourth may want them in active politics.

What are important to us here are the two important elements that underlie the political relationship of individuals. First is conflict (of interest) and second is scarcity of resources. Disagreements usually arise between and among individuals over the appropriation and use of the limited available resources. These disagreements must be resolved. In doing that, one may employ peaceful methods such as persuasion, by employing superior logic on why a particular thing should be done in a particular way. Or, it may alternatively require the granting of some material favours; while in extreme cases, it may require the employment of coercive measures. In some other cases, it may require a combination of these alternatives. Whichever way it goes, the exercise involves power display. "Power" and "Interest" are two important elements and essence of politics and a rational political actor must act to promote his interest. The basic aim of politics therefore is to regulate the conflicting needs and demands of large numbers of people in order to perpetuate a relatively just and harmonious society.

### **Women and Political Participation**

Political participation, according to Munroe (2002:4), refers to the "(degree) to which citizens use their rights, such as the right to protest, the right of free speech, the right to vote, to influence or to get involved in political activity". In a democracy, political participation can take many form ranging from voting for representatives at regular intervals to voting on policies in referenda, forming political groups, and engaging in legal and illegal protest (Weitz – Shapiro & Winters, 2008:5). Munroe (2002:4), however, was more categorical in identifying two forms of political participation. According to him political participation can be conventional (orthodox) or unconventional (unorthodox). Whereas conventional political participation addresses involvements that are embedded in the norms and traditions of the country such as voting for representatives at regular intervals, unconventional political participation, on the other hand, encapsulate involvements that are outside of the norm (the traditional approach). They are more aggressive, more assertive and may even break the law. These include road blocks, peaceful matches, blogging and demonstrations (Shingles, 1981:76-91; Martinez, 2005:135; Robnett, 2007:3; Munroe, 1999:34, 2002:4-6; Spehr and Dutt, 2004:3-4).

Establishing trust as a critical element that influences the direction of political participation in the society, Fukuyama (1995:3), asserts that “the economic activity of the citizens is a critical component in their social lives and trust is the crucial property that binds the society together”. It is the inherent degree of mistrust in the society that explains civic engagement and when this mistrust begins to be fashioned and intensify in the society, unconventional political participation often results as a response to societal, interpersonal and organizational mistrust (Fukuyama, 1995:3; Covey and Merrill, 2006:7). With reference to Nigeria, several views have been expressed by academics, researchers, writers and women leaders about the state of political participation by Nigerian women. Some see their participation as encouraging, while others do not. Nwankwo (2003:15-16), views the level of women participation in politics as encouraging. This view, he supports by drawing a comparison between the numbers of female members in the 1979 National assembly with the number in 1983. While there were 6 female legislators in 1979, the number rose to 8 in 1983. He also referred to the election of two female Deputy Governors in Cross-River and Lagos States in 1992 as evidence of the height that women have attained in their political struggle. He cited further examples with female political party leadership in three states (Lagos, Plateau and Benue), high political and social awareness levels in the Nigerian women, even in the North, where religious doctrines hinder women empowerment and development; the election of two female councilors in the North (1991) and the emergence of Mrs. Titi Ajanaku as a Local Government Chairman during the Babangida’s aborted transition period as clear evidence that women participation in politics is improving.

These facts appear to place women high on the political scene. They also painted encouraging pictures of women in political participation. The truth remains that women leaders, activists and scholars have continued to bemoan this insignificant level of women participation in politics. Ntunde (1979) decried the low political status of the Nigerian Women. She talked about the low female representation in the Constitutional conferences, the political Bureau, National Electoral Commission and other key transition agencies. She laments that issues affecting women were never tabled for deliberation in the constitutional conference, no Nigerian woman was appointed into the National Electoral Commission and by this act women were left out of this important political post and from getting involved in the political process.

Women marginalization in Nigerian politics is directly related to the issue of poverty and retrogressive cultural norms. The 1995 Human Development Report of the UN maintained that 70% of the total world population are women, and that “poverty has a woman’s face” (Harris, 1996). The 1991 population census estimates that of the 31 million rural women in Nigeria, 16 million live below the nationally defined poverty lines. The negative impact of poverty on the advancement of women in Nigeria led to their marginalization in decision making capacities, poor appreciation of their contribution in the national economy, poor health, illiteracy, and lack of educational opportunity (Olaoye, 1998). In the economic point of view, sexual division of labour deprived women of their

economic status and led to their subsequent impoverization. Some researchers have equally blamed colonialism; maintaining that colonial employment opportunities were mainly for men (e.g. railway construction, court messengership). Traditional female midwives lost their jobs to European clinics and maternity homes. Only men were engaged in the new cash crop production while cocoyam, cassava and live stock (originally produced by women) ceased to be a measure of social wealth. Monsen (1991) lends weight to this economic marginalization of women. According to her, modernization of agriculture altered division of labour and increased woman's dependent status and work load as women lost control over resources such as land and access to new technology. Yet women earn 10% of the world's income and 1% of property and produce as much as 80% of food in Africa (Red, 1994). Monsen (1991), further goes on to explain the forms which economic marginalization of women takes:

- a. Prevention of women from entering some specific types of employment on the premise of physical weakness, moral danger or lack of special facilities for the female worker.
- b. Concentration of female employment in the informal sector where they work for longer hours, get the lowest pay and are insecure.
- c. Subtle feminization and low status of certain jobs brought about by the fact that majority of workers in that profession is women.
- d. Economic inequality brought about by occupational differentiation resulting in low wages, poor working condition, inequality of fringe benefits etc. The general employment situation force women to accept jobs for which they are under-utilized and under-paid (Onah, 1995).

The problem of gender inequality also has sociological dimension. Kedly and Rentilliar (1976) identified sociological variables such as religious affiliation, ethnicity, socio-economic status and educational level as factors that can inhibit or promote the ease of women mobility into public or political realm. Wambia (1996) sees the problem of socialization, attitudinal obstacles to participation and advancement by women, aspects of felt marginalization in the feelings and behaviour of women in politics which are related to sex-role socialization as the key factors constraining women from active political participation. Momodu (2003) observed that a strong sense of the importance of accepted behaviour and distribution of roles between men and women by tradition are restricting factors to women development.

The gender concept of roles and relationships between males and females has been condemned. Nwankwo (2003) was of the opinion that gender inequality between men and women has led to 'negative stereotypes and perception of women, resulting in socio-economic and legal impediments against women. It is pertinent to remark that gender inequality originates from the family, during socialization.

## **Empowerment of Women**

Attempts to define empowerment must contend with difficulties with respect to variation in viewpoints. One however, may identify two perspectives that perceive it as a goal and as a process. Whether conceived in the former or later forms, empowerment is simply about acquiring the power to partake or to exert significant influence in government and/or organizational process (Umar and Abdullahi, 2007:4). It is as much about the right to be heard, be involved, to have a voice as it is about the opportunity to question, resist or checkmate arbitrary policies, among others. In Nigeria, female empowerment would mean leveling the playing field so that men do not have an advantage in fulfilling their potential, whether in business, politics, or other social platforms. It is opening space for women to have unfettered access to education, skills, and participation in decision-making process on matters that affect them (Eyinade, 2010:5). In its broader sense, it entails changes in the social, political, psychological as well as cultural aspect of life of the people in such a way as to remove obstacles or hindrances that may militate against the development of human potentials and talents necessary for human development.

Politically, empowerment of all people, women inclusive, may warrant among other things, the putting in place of tangible and workable strategies aimed at propelling individuals for political and public positions at the local, state and national arenas. At the local level, specifically, empowerment may equally involve devising measures that would increase the capacity of individuals and group for self reliance and self-actualization. For women, this requires making in-roads into areas that have hitherto been the dominant prerogative of men, including involvement in activities that possess the capacity for uplifting, first their economic status and subsequently serve as the spring board for active involvement in political activities.

The links between the social, economic, and political exclusion of women indicate that by creating an opening in one area, the other areas will become more accessible for women. In Nigeria, a woman's social ranking depends on age, lineage, and achievement (Afolabi, 2010:5). Empowering women economically affects the way women perceive themselves and the way they are perceived by the community. Thus, women would have fewer inhibitions about participating on both the economic and political scenes. One of the barriers identified in the exclusion of women from political participation is poverty (Ezeani, 2009:104). With the predominant population of African women living below the poverty line, the pressing needs for most women would be scraping a living together for themselves and their families.

According to the United Nations, three quarters of all economic activity in developing countries is ascribed to men, while women actually perform 53 percent of the work. Though women make up a large portion of the informal sector in most African economies, it is however contemplated that women will face fewer barriers to entering politics if they are empowered economically. Increasing income levels for women can in turn increase confidence. The link between female economic empowerment and quality of

life leads to more discussion on women's issues, such as the number of children per couple, quality of education for children, health and hygiene, and the environment. Women also tend to be better stewards of economic development. Studies have shown that women are more likely than men to cycle profits back into human capital development, including female education. Educated women are better suited to participate in decision-making processes in the society. Women who are empowered economically have less difficulty in playing active roles in politics as they can assert themselves and are unlikely to become pawns for existing political interests (Eyinade, 2010:6).

### **Theoretical Standpoint for this Study**

This paper has its theoretical foundation on the 'Group Theory' which has its intellectual roots in the doctrines of pluralism as developed by a number of early twentieth century English writers, particularly John Figgis, Maithland and G. H. Cole (Varma, 1975). With the limitations associated with the Elite theory (Robert Dahl, 1961; Nelson Polsby, 1963; James Burnham, 1943; Varma, 1975), the attention of social scientists was turned to pluralist model in which power, instead of being concentrated in the hands of a group or class, is treated as diffused among many interested groups competing with each other for power. The group theory was originally formulated by Arthur F. Bentley (1908). However Daniel Truman (1953), Robert Dahl (1961), Grant McConnel (1966), Theodore J. Lewis (1971) and other writers later modified the group theory of politics.

Bentley, to whom behaviouralism is generally credited to, while trying to highlight the importance of the group in politics, suggested that society comprises of dynamic processes (actions) rather than specific institutions or substantive contents (values). He argued that society, the nation and the government are all made up of "groups of men"; each group cutting across many others. These groups, according to him, are in a state of perpetual interaction with each other, and politics consisted in the "shunting by some men of other men's conduct along changed lines, the getting of forces to overcome resistance to such alterations or the dispersal of one grouping of forces by another grouping" (Bentley, 1949 cited in Varma, 1975:248).

Bentley (1949) conceived of the group as a mass of activity and not merely a collection of individuals. Group was defined by him as "a certain portion of the men of a society, taken, however, not as a physical mass cut off from the masses of men, but as a mass of activity, which do not preclude the men who participate in it from participating likewise in many other group activities". A group, therefore, he pointed out, represented a "pattern of process rather than a static form, and as such could emerge only when the interactions among its individual members were both relatively frequent and sufficiently patterned to produce directional activity." A genuine group, therefore, was different from a co-incidental collection or a categorical group. The fact that the same individual can belong to various groups also makes it clear that the activity particular to a group was more important than its structural composition.

The main thrusts of Group theory, as envisioned by Bentley (1949) and the other writers on this are as follows:-

- i. The theory is founded on the doctrine of pluralism. It is of the view that every society includes, within it, a large number of groups which remain engaged in a perpetual struggle for power and domination over each other.
- ii. There is emphasis on the group as the basic unit in the study of politics.
- iii. The theory views power as diffused among many interest groups which are competing against each other for power.
- iv. It views groups as a mass of activity directed by interest and the social system. It is this interest which leads to the organization of groups.
- v. The theory views the activity particular to a group as more important than its structural composition since the same individual can belong to various groups.

The Group theory is considered very apt as a theoretical framework in our examination of women in politics. The Nigerian society like every other society is a social environment. It comprises individuals of both sexes – male and female or men and women. Sex categorization of these individuals no doubt has provided basis for grouping.

Developmental trends in Nigeria show that overtime the male groups' consciousness and selfishness, in substantial ways, have negatively impacted on the ability of the women groups to positively, purposefully and aggressively assert themselves in the development of the Nigerian state. This, the men do largely, by limiting women access to education, political offices, and enforcing norms and customs that keep women on the breadline.

The group theory, however, draws attention first, to the nature of the composition of societies and the importance of the doctrine of pluralism in politics. The theory harps on the need to encourage popular opinion and equal participation of all the various groups within a given society. This is in agreement with the basic principle of democracy and encourages development by the sheer harmony it injects into the system. In adapting the theory to the study, we see clearly that societal reality which largely appropriates opportunities to men was as a result of the ability of the male groups to effectively organize themselves and project their interests. As a consequence, women have for long suffered various forms of gender discriminations, inequality and exclusion, especially in the arena of politics. The agitation for alleviation and eradication of gender discrimination in turn can be interpreted as a growing consciousness on the part of the women groups to be relevant in a society which they believe they have equal stake in. It is this consciousness and agitation to assert relevance by projecting and protecting their interests that tend to coerce the female sexes into asking for political, social, and economic empowerment through organization of women conferences in the world, notable among them being the Copenhagen conference of 1995 held in Beijing, China. In view of the fact that the issue of development of the polity is a collective responsibility and given the dynamics of group activity, the group theory is therefore most compelling in this circumstance for use in this study. Consequently, the following hypotheses will serve as guides to this study:

- i. The Nigerian women are not yet properly integrated in the body politics of Nigeria because of poor representation in the political process.



- ii. The Nigerian women are encumbered in the political process because of negative cultural norms and traditional practices still upheld by various societies in Nigeria.
- iii. Women education, proper skill acquisition and advocacy groups, among others, are veritable platforms for enhancing women empowerment and participation in the politics of Nigeria.

### **Politics of Women Empowerment in Nigeria**

Nigeria's vision of becoming one of the top twenty leading economies of the world by the year 2020 otherwise known simply as Vision 2020 appears compelling enough to energize its over 150 million people (near half of which are women) to make the vision a reality. Thus, contemporary discourses have clearly shown the widely felt need for the uplifting of the social, economic, political and cultural status of women across societies. Perhaps, the rekindling of interest in this regard may have stemmed from the opening occasioned by the triumph of democracy across the globe, with its concomitant element of participation and representation, as by the purposeful push witnessed in recent time by a cross-section of women themselves, as in the activities of several civil society groups and non-governmental organizations (Umar and Abdullahi, 2007:7). Therefore, the mandate of those groups which essentially revolves around issues that seeks to, essentially, redress imbalances and other forms of perceived inequalities made them veritable instruments for the projection and promotion of women issues in Nigeria.

Women no doubt are veritable instrument in shaping and molding the character and disposition of individuals and by virtue of their motherly role, it is often argued that women can serve as catalyst for social engineering of human societies. (Jubril and Salihu, 2004:56). The questions then arise: 'how have they fared in this regard? What gains have accrued to women in the amelioration of perceived inequalities against them? Conversely, what factors prevents the realization of their goals in Nigeria? What strategies can be adopted to better their lot in the scheme of things in Nigeria?

In African societies (Nigeria inclusive) specifically, the women folk have continuously been subjected to series of hardship including, of course, the denial of their inherent political and particularly, social rights (Naake, 2004:782). Needless to argue also, in Nigeria context in particular, that women are perpetually condemned to playing roles in the sexual and domestic sphere (Belington, 1991:67). In other words, while in the west for example, women are relatively equal partners, or at least, equal wage earners as men, in the Nigerian setting, their role is largely that of wives and mothers. Their capacity for wage earning and, therefore, for relative autonomous existence, becomes curtailed. It was this seeming helplessness which envelopes the women folk that calls for attention.

Following the colonial conquest of nations, states, and communities that later became Nigeria, colonialism unleashed forces and innovations that had far-reaching effects on Igbo women in particular and the entire society in general. The period was characterized by the introduction of taxation, western education, a new monetary system, land alienation and commercialization, improved transport system, urbanization and

introduction of new technologies. The period also saw the increasing penetration of foreign capital and goods in the country, as well as missionary proselytization and erosion of Igbo culture and religion. While some of these factors created an opportunity that women exploited to enhance their status in the society, others undermined their economic, political and religious power.

The colonial administrators and the Europeans in the Igbo region imposed their western conception of states, families and gender roles on the Igbos; notions that were prejudicial to women. The British indirect rule system which was imposed on the Igbo governed through male authorities and also formalized male institutions. At the same time, the colonial administrative system ignored their female equivalence (Chuku, 2009:7). The newly established native courts which constitute the smallest unit of colonial administration in Igbo region superseded the popular village assembly. These were administered by British district officers and a few hand-picked Igbo men who served as warrant chiefs, court clerk and messenger to the total exclusion of women.

On the other hand, Igbo women participated in the politics of decolonization of the 1940s to 1950s individually and collectively through membership in women's organization. Migration and economic diversification gave women an opportunity to form ethnic and career based affiliations and associations in the newly emerging urban centers that provided basis for their political mobilization; one such women's association was the Nigerian Women Union (NWU) formed in 1949 under the leadership of Fumilayo Ransome-kuti (Afigbo, 1972:63).

There is no doubt that southern women were very forceful in their demands for participation in the political process of the time and also very visible in the decolonization politics of Nigeria. Their political activities significantly facilitated the decolonization process and achievements of Nigeria's independence in October 1960 (Nzimiro, 1972:85).

Some women played vital roles towards the attainment of Nigeria's political independence. Notable among them are Fumilayo Ransome Kuti, Margret Ekpo, Abayomi, Janet Mokelu. History also testifies to the leadership and statesmanship role of Queen Amina of Zaria. Also in the north, the astute and doggedness of veteran politician and activist Hajia Gambo Sawaba, among others, in the political struggle in the first and second republics is a further testimony in this regard. More recently, perhaps the continuous roles played by former women ministers such as Ngozi Okonjo-Iwuala in the finance ministry, Oby Ezekwesili in the solid minerals and education in the last administration as well as Dora Akunyili of the National Agency for Food and Drugs Administration and Control (NAFDAC) and later as minister of information, Ndidi Okereke formerly of the Nigerian stock exchange (NSE) and many others attest to the potentialities of the women folk in politics and the development of the country.

Yet, their sheer numerical size, making up about half of the country's population: 68,293,680 females against 71,709,863 males according to 2006 provisional census result (FRN official gazette 2007), not only makes them a force to reckon with but also exposes

the state's failure to make the women presence felt in a way that measures up with their size in Nigeria's developmental drive.

In the Fourth Republic which started on May 29, 1999, the Nigerian political terrain witnessed relative increase in the number of women political appointees, even though women did not perform well at the elections. In the elections held before May 29, 1999, few women emerged as Chairpersons of local government councils. A number of women won elections as Councilors. There was no female Governor in any State of the Federation. Only Lagos State produced a female Deputy Governor in the person of Senator Bucknor Akerele.

In the 1999 National Assembly, there were only three women in the Senate, namely: Chief (Mrs.) Florence Ita-Giwa representing Cross River State South Senatorial District; Mrs. Stella Omu from Delta State and Hajiya Khairat Abdul-Razaq (now Hajiya Gwadabe) representing the Federal Capital Territory. There were only 12 women in the House Representatives and these are: Barrister Iquo Minimah, Mrs. Patience Ogodo, Lola Abiola Edewor, Patricia O. Etteh, Dorcas Odujinrin, J.F. Adeyemi, Binta Garba Koji, Gbenni Saraki, Florence Aya, Linda Ikpeazu, Temi Harrinnan and Mercy Almona Isei. Out of a total of 44 Ministers and Special Advisers, there were 9 women (UNIFEM, 1999:46).

In the State Houses of Assembly very few women emerged as members. While in some States, one or two women emerged in the Houses, most other states have virtually no females in their legislatures. Lagos had 2 female members. States like Cross River, Awka Ibom State, Rivers, and many others did not have female members in their State Legislatures.

The fact sheet below on women in political positions compiled in 1999 captures the political discriminatory practices against women in Nigeria. This discriminatory practice affects adversely women's democratic growth.

### **Women's Political Participation in Nigeria- A Fact Sheet**

#### **Proportion of Women Holding Political Posts, Nigeria 1999**

| Male(#)                      | Female(#)     | Total(#)   | Female        | Repre.(%)   |
|------------------------------|---------------|------------|---------------|-------------|
| Ministers/special Advisors   | 35            | 9          | 44            | 20.45       |
| Speakers                     | 35            | 1          | 36            | 2.78        |
| Governors                    | 36            | 0          | 36            | 0           |
| Deputy Governors             | 35            | 1          | 36            | 2.78        |
| L.G.A Chairpersons           | 765           | 9          | 774           | 1.16        |
| Councilors                   | 8,667         | 143        | 8,810         | 1.62        |
| State Assembly Members       | 978           | 13         | 990           | s21         |
| Senators                     | 106           | 3          | 109           | 2.75        |
| House of Representative Mem. | 347           | 12         | 360           | 3.61        |
| <b>Total Numbers</b>         | <b>11,004</b> | <b>191</b> | <b>11,195</b> | <b>1.71</b> |

**(Source: UNIFEM Report, 1999)**

Similarly, the picture was not so great for women after the 2003 general elections. The 109 member Senate had just 3 females. However, there was an increase in the member of women in the House of Representatives from 12 members in 1999 to 21 female members in 2003. At the Federal Cabinet level, women accounted for 6 out of a total of 34 Ministers and 10 out of 35 Special Advisers. Two female Deputy Governors, (Alhaja Salimat Badru (Ogun State) and Erelu Olusola Obada (Osun State) also emerged, representing an increase from just one in the 1999-2003 dispensation. There were also two female speakers of the State Houses of Assembly – (Hon. Titi Sodunke – Oseni in Ogun State and Hon. Eucharia Azodo in Anambra State). Furthermore, in 2007 general elections in Nigeria, only 96 women came out to vie for elective posts out of a total of 1531 posts contested for in that year's election. This shows a decline.

In spite of this marginal presence in the public sphere, the strong presence of women in the private realm is never in doubt. Women associations and groups, addressing various social, economic and political concerns have sprouted up alongside their male counterpart, shaping various policies and programmes of government at various levels. Umar and Abdullah (2007:5) citing Umar and Sidi (2002) argued: “women contribution to the development of any society is an established fact. In Africa, as in other continents of the world, their basic roles in household and in various spheres of the national economy are never in doubt”.

As we have posited earlier, empowerment is multi- tied. Disempowerment at the political plane could thwart the potentialities that women exude in development. As succinctly put by Umar and Abdullahi (2007:4), “the absence of civil and political rights can block access to social, economic and cultural rights of women in development”. It is surely a truism that where such rights are encumbered, the energy needed to contribute to societal transformation may prove difficult to generate and sustain in the long run. In most cases, rather than work to channel such energy to productive activity thereby contributing to the overall development of the society, the opposite may prevail and potential catalyst of development may be diverted to activities that may put the society at peril.

In the course of this study, the following findings were made:

- Women were predominantly conceived to be involved in role performance such as mothers, home managers, community organizers, reproducers and socio-cultural activists.
- Women were discriminated against by their male folks in politics even when they form bulk of the population in Nigeria.
- The structure and functions assigned to women by societal culture, norms, and values made them to suffer, for a long time, various forms of gender discrimination, inequality and exclusion, and this adversely affected their empowerment and participation especially in the area of politics.
- Some other factors such as inadequate knowledge of written and unwritten rules protecting women's political rights and religious doctrines also militates against the active participation of women in politics and access to positions of authority in Nigeria.

- Women are no longer satisfied with the pre-determined social roles society assigned to them. There is therefore a growing consciousness and sustained effort by women to liberate themselves from the shackles of cultural norms and values that inhibit their access to positions of authority and so they seek to establish a vantage platform from where they can better address their economic, social, and political interests.
- The politics of women empowerment is premised on the fact that women in Nigeria represent half of the population and hence should be allowed a fair share in decision making and the governance of the country. Secondly, that all human beings are equal and women possess the same rights as men to participate in governance and public life.
- Beyond and in aid of their domestic responsibilities, the women folk are also interested in such issues as maternal health, women education, gender equality and gender mainstreaming through women empowerment in Nigeria's electoral reform processes and women engagement with political parties among others.
- Some of the strategies employed by the women to liberate themselves and gain proper recognition in state affairs include (a) Sustained campaign and propaganda (through media hype) highlighting the marginalization and discrimination of women by their male counterpart. (b) Sustained advocacy for recognition and support by men for: (i) women education and training (ii) participation of women in partisan politics and gender equality (iii) employment of women in every sector of the economy and if need be to protect this right through quota system and legislation.
- Finally, despite the fact that women continuously grapple with difficulties foisted upon them by culture and other fiats, yet one must acknowledge the fact that they were and remain partners in the development of societies in Nigeria.

## **Conclusion**

A commonly made assertion by scholars, public officials and others alike is that the bulk of people of Africa, and Nigeria in particular are women. Where this is the case, it thus becomes imperative that development policies and programs that seek to empower or improve the living conditions of people must have women in mind or as their focus so as to enable women adequately contribute to state development. It must in other words transcend the question of representation in both elective and appointive public positions and enlist the other elements that would provide veritable avenues through which women can be mobilized to build network of solidarity among them.

However, before this could serve any useful purpose, it is very essential that the women folk be politically empowered to assert themselves, have a voice, appreciate their life's worth and therefore be in position to take their destiny into their own hands. The politics of women empowerment is therefore about proper role definition and redefinition. Definition to highlight, strengthen and consolidate on those acceptable roles and functions that are cherished and are in tandem with modern acceptances and role redefinition geared towards rejecting old structures and functions that negate complete acceptance and

integration of the women group into the mainstream of acceptable global norms and practices that promote development.

What this entails, perhaps, is the need for women to get organized into vibrant civil society associations and establish structures through which their needs and preference could be projected and promoted. In this light, one appreciates the blossoming of women groups at the federal, state and local levels geared towards the political, economic and cultural empowerment of women. What remains, clearly, is the need on the part of some of these organizations to broaden their spread and mandate to enlist membership and incorporate the missing element. For example, where such organizations are concerned with economic and cultural empowerment, efforts must be geared towards enlisting the political element in order to ensure the prevalence of an all- encompassing empowerment drive for women in politics and development. In operational terms, women empowerment must not focus on the economic aspect only, but should aim at sensitizing them on their fundamental rights and liberties so that they could assert themselves and in so doing maximize their potentialities in all spheres of the country's development. As rightly observed by the Beijing Platform of Action, without the active participation of women and the incorporation of women's perspectives in all levels of decision-making, the goals of equality, development and peace cannot be achieved ( Momodu, 2003:38).

### **Recommendations**

Based on the research findings, the following recommendations are made:

- (1) Women role should not be misconceived to be that of mothers and home managers alone, but should be seen to embrace other roles in the society. The conspiracy engineered and foisted on the outlook of women by social conventions, values, and even religion which perceive the gallant attempts by the women to liberate themselves as "gatecrashers into the hallowed domain of men" must be properly exposed and dismantled. The National Orientation Agency (NOA) should vigorously address this mandate.
- (2) Any form of discrimination against women participation in politics should be discouraged so as to give them equal opportunity like their male counterpart in Nigeria. This can be realized through the enactment and enforcement of relevant laws.
- (3) Women should be educated on their privileges and political rights and all forms of religious discriminations that will act as an impediment in their active participation in politics. This could be done through seminars, workshops and conferences.

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