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Nigeria and Socio-Economic Development in the Fourth Republic

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Abstract

This paper analyses the trends in economic policy and social realities in Nigeria, with particular focus on the Fourth Civilian Republic. It underscores the appreciable impact of economic policy reforms on stimulating growth and observes that the positive growth in gross domestic product (GDP) per capita remains insufficient to reduce poverty. Irrespective of this projection, Nigeria has the potential for greatness. The discourse goes on to give a systematic overview of economic policy and social reality in the Fourth Republic 1999-2007. The paper evaluates the dramatic transfer of power in Nigeria from the military to civilians in 1999 and posits that Nigeria has so far made considerable progress in democracy, despite all odds. Nevertheless, the paper concludes that in order to meet the challenge of developing its human and natural resource potential, Nigeria must achieve the twin objectives of faster growth and greater equity.

Introduction

The overall economic growth in Nigeria has been disappointing, particularly given the enormous potentials in the country. In terms of human security, it is by far, the most significant dimension of conflict in postcolonial Africa because it involves meeting the needs of the most vulnerable and powerless individuals, groups and communities. Human security includes human rights protection, environmental protection, health care, poverty alleviation, and development.¹The human security agenda is an inclusive agenda that is empirical and normative, mundane and aspirational. The primary focus of security is driven by the

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people's desire to alleviate existential and structural threats and fears.²

Political security, on the other hand, is the absence of threats to basic human rights, especially freedom of association, freedom of speech, freedom of choice and freedom to participate in the political processes in the country without fear of political repression, systematic torture, ill treatment, or assassination.³ Essentially, political security is an environment where the rule of law, human rights, and political participation are sustained. In other words, political security is reflected in the nature of political participation in a country.

To achieve the primary aim of this paper, this author employs the methodology of critical security theory (CST) as propounded by Booth and Vale. This theory revokes the idea of a security community in the sense used by Karl Deutsch, where peace is predictable among its member states based on their cultivation of similar values, strong economic ties, the expectation of more multi-faceted social, political, and cultural transactions, a growing number of institutionalized relationships, mutual responsiveness, and mutual predictability of behavior.⁴ Having rejected the state as the locus of security, Booth and Vale stipulate two potential actors in their proposal for the construction of security community. These actors, which they prefer to call 'influential community-minded agents', are 'civil society' and 'sympathetic outsiders' (mostly international and non-state actors). In operational terms, therefore, comprehensive security, the authors argue, requires a form of 'foreign policy from below, as well as at the inter-state level'.⁵

Trends in economic policy and social realities in the Fourth Civilian Republic

Economic security is the focus of this section and it evaluates economic growth and human security in the Nigeria's Fourth Civilian Republic. Here attempts will be made to provide a comprehensive historical review and analyze the trends in economic policies in Nigeria from before the Fourth Civilian Republic up to the early days of President Yar'adua's administration around 2010. This period points out that, economic growth in Nigeria has been disappointing

in spite of its enormous potential and growth in Gross Domestic Product (GDP). Despite its increase in GDP, the Nigerian people continue to live in abject poverty and are excluded from productive and profitable activities, and as a result, there are frequent resource-based conflicts in different part of the country.⁶ In this respect, it is reasonable to conclude, therefore, that it takes more than increased GDP to reduce poverty.

Available record shows that, annual growth averaged less than 3% for most of the three decades following the discovery and exploitation of oil.⁷ Many factors that inhabit economic growth in Nigeria have been identified as follows:

(a) inconsistent macroeconomic policy, (b) instability and policy reversal, (c) conflicts between different macroeconomic policy goals, (d) public sector dominance in production and consumption, (e) pervasive rent-seeking and corruption, (f) inadequate and decaying infrastructure, (g) high volatility of major macroeconomic aggregates, (h) weak institutional capacity for economic policy management and coordination, (i) unsustainability of public finance at all levels of government, (k) debt overhang, and (l) devolutionary violence.⁸

In spite of the diverse reform measures implemented in the Fourth Civilian Republic and the improved trends recorded in major macroeconomic aggregates (e.g., external reserves, stable exchange rate, strong financial sector, favourable balance of payments, and GDP growth), the impact of economic growth on the lives and social conditions of most Nigerians remains miniscule.⁹ Threats to human security still abound. For many people, their feeling of insecurity stems from worries about daily survival arising from issues that concern job security, income security, health security, environmental security, and security from crime. It is, perhaps, only when economic growth is broad-based and sustained and governments prioritize good governance that the course of improved human security can be advanced in Nigeria.¹⁰

At this juncture, this paper reviews and analyses the trends in economic policy and social reality in Nigeria, with particular focus on the Fourth Civilian Republic. It underscores the appreciable impact of economic policy

reforms on stimulating growth during the Fourth Civilian Republic but observes that the positive growth in gross domestic product (GDP) per capita remains insufficient to reduce poverty. Most Nigerians remain poor and excluded from productive, profitable activities and opportunities. The result is frequent resource-based conflicts in different parts of the country and the tendency to justify free-riding and criminal behaviours. All these issues have eroded many Nigerians' sense of social protection. Unfortunately, governments' concerns with security focused on state security as opposed to human security. In the light of this situation, this paper also discusses the need to achieve inclusive growth in Nigeria, and it also raises the broader development question about the role of the state in sustained accumulation and redistribution and discusses the need for growth through improved governance that stimulates demographic and distributional processes that support long-term structural change and build beneficial partnerships.¹¹

Overview of Economic Policy and Social Reality

As a prelude, the inability of the Structural Adjustment Programme (SAP) introduced in 1986, to deliver the expected turnaround in the economy led to a rethinking about the state's vision for the country and culminated in the articulation and launch of the VISION 2010 documents, which aimed at making Nigeria a modern industrialized nation that continually strives for sustained economic growth and improvement in the quality of human life. The overall macroeconomic policy target under VISION 2010¹² was to achieve an average of 10% annual GDP growth rate and inflation rate of not more than 5% through the period up to 2010. This was an ambitious goal, considering that between 1976 and 1996 the average annual growth of the economy was only 1.6% and the difficulty of meeting the other policy targets necessary to re-engineer the country's economic management in order to achieve such an ambitious goal within this time frame. The combination of a low (2.2% per annum) growth rate and high population growth (2.83% per annum), with its attendant high dependency ratio¹³ and a high debt overhang, ensured that the Nigerian economy hardly

recovered 6 years into the VISION 2010¹⁴ period, let alone setting the stage for achieving the ambitious growth target.

Economic Policies in the Fourth Republic (1999-2007)

At the end of May 1999, Nigeria's federal government announced it would fundamentally restructure the economy as part of its overall policy goal of good governance. While the socio-political elements included transparency and accountability, the economic dimension involved continued emphasis on liberalization, privatization, and wide spread reforms of economic institutions. This resulted in a comprehensive economic programme from 1999 to 2003 called the Obasanjo Economic Direction (OED), which was designed to achieve faster growth, reduce poverty, and raise living standards.¹⁵

The key principle of the Obasanjo Economic Direction was a 'commitment to a market-oriented, private sector-led economy with government serving as a catalyst and providing the enabling environment for the private sector to thrive'.¹⁶ In order to realize the objectives of deregulation, the Nigerian government repealed all legislation that had created public sector monopolies in specific sectors of the economy. Unfortunately, the instability created by meddlesomeness of several political actors and interests and the initial problems of transition into democratic governance slowed down the growth process. The period 1999 to 2003 was used to stabilize the polity and lay the foundation for democratic governance, with modest progress made within the economic and social spheres.¹⁷ This modest economic progress recorded, led to the formulation, launch and adoption of a medium-term economic framework, christened the National Economic Empowerment and Development Strategy (NEEDS)¹⁸ in 2003 to cover the period 2003 to 2007 at the federal level and set up similar policy packages at the state¹⁹ and local levels.

NEEDS stated that in order to reduce overall macroeconomic imbalances the four basic macroeconomic accounts must be consistent: (a) the real sector account, (b) the fiscal account, (c) the balance of payments accounts, and (d) the monetary sector accounts. NEEDS produced significant benefits in the areas of international relations,

infrastructure development, economic development and security.

International Relations

Nigeria has been able to improve its international relations in the following ways:

- Nigeria has reintegrated with the regional and international community.
- Nigeria is a founding member of the New Economic Partnership for African Development (NEPAD) and the Economic Community of West Africa (ECOWAS).
- Nigeria has shown that it has strategic importance in Africa and is a source of stability in West Africa. It led an international peacekeeping force to Liberia and Sierra Leone and is playing a continuing peace keeping role in the sub-region.

Infrastructure Development

Nigeria has worked to improve its infrastructure in several ways:

- Electricity generation in Nigeria has increased marginally since 1999, but it has yet to meet the target set for 2007.
- The number of telephone lines rose from just 400,000 in 1999 to about approximately 3 million in 2003 and 3 million more in 2006.

Economic Development

Nigeria has focused in developing its economy:

- Government support for agriculture has boosted productivity. According to the UN Food and Agriculture Organization (FAO), Nigeria agriculture grew an unprecedented 7% in 2003.
- Industrial capacity more than doubled, from 29% in 1999 to 60% in 2003.
- Income grew at an average rate of about approximately 5% between 1999 and 2003, a significant increase over the 2.8% growth rate of growth during the 1990s.

- Between 1999 and 2003, 3.5 million new jobs were created.
- Foreign direct investment in the non-oil sector grew at an average annual rate of 3.6% between 1999 and 2003.

Security

Nigeria has taken steps to improve human security:

- The police force doubled in size between 1999 and 2003, and by the end of 2007, the total number of police increased to more than 300,000.²⁰

Human and Political Security

Nigeria has all the potential for greatness. It is a country with enormous human and natural resources. It is the largest and one of the most influential countries in Africa. The country also has the largest concentration of Black people in the world. It accounts for approximately 50% of West Africa's people. It is Africa's most ethnically heterogeneous and culturally diverse country, with a population of more than 180 million people divided into more than 385 ethnic groups with a multitude of religious, ethnic, and political fault lines that periodically erupt into communal violence.²¹

The dramatic transfer of power in Nigeria from the military to civilians in 1999 opened up intellectual space for the evaluation of the country's political security; for never in the history of the country had it ever recorded more than 8 years of continuous, uninterrupted civilian rule. The 30 years of military rule in Nigeria deeply affected the democratic structures, processes and values in the country.²²The military ruled with the mentality of conquest that denied many Nigerians freedom of expression, assembly, and association. Political parties were disbanded and the voices of opposition politicians, journalists, students, and trade unionists were systematically drowned in the deep ocean of authoritarianism as opposition groups were methodically **bamboozled**; muzzled, and crushed.²³The rule of law was replaced by the rule of force. In fact, Nigerians experienced all manner of threats to their political security during the 30 years of military rule.

Understanding Political Security

As earlier mentioned, political security is the absence of threats to basic human rights, especially freedom of association, freedom of speech, freedom of choice and freedom to participate in the political processes in the country without fear of political repression, systematic torture, ill treatment, or assassination.²⁴ Essentially, political security is an environment where the rule of law, human rights, and political participation are sustained. In other words, political security is reflected in the nature of political participation in a country.²⁵ However, as Nigeria experienced a smooth transition of power from military rule to civilian rule in 1999 in an atmosphere of great expectation, soon after the oath of office of the new civilian president, centrifugal forces started casting their dark and menacing shadow and threats on the country's political security. Such threats include:

- The sowing of the seed of distrust between the North and South by colonialism in order to slow the process of decolonization.
- The pluralistic nature of the Nigerian society necessitated the country's formal adoption of federalism in 1954.
- In addition to centralization of governance, regionalism, ethnicity and religion have each taken their toll on the federation. Religion has increasingly become the greatest source of threat to the federation of Nigeria because of its very emotive and value-laden nature. For example, religious violence, in very horrifying dimensions, at times, seems to eclipse the federal polity as attested to by the introduction of Sharia law in many northern states which resulted in explosions of violence, especially at the beginning of the country's Fourth Civilian Republic.²⁶
- The Indigene-Settler Controversy: This is one of the most contentious issues in Nigeria. Many Nigerians believe a peculiarity between indigenes and non-indigenes is necessary and a fact of life. Therefore, non-indigenes are discriminated against and denied access to economic, political, and social privileges. Taken as a whole, these discriminatory policies and practices effectively relegate many non-indigenes to

the status of second-class citizens. Most often, these factors have been responsible for many violent conflicts in Nigeria.²⁷

The threats on the domestic security situation in Nigeria has further become characterized by: political violence, ethno-religious crises, communal clashes, high crime rates, proliferation and illegal possession of arms/ammunition, and the inadequate ability of law enforcement by security personnel across the country since the return of democracy in May 1999. As a result, Nigeria experienced an avalanche of violence conflicts not witnessed in Nigeria since the 30-month civil war between 1967 and 1970.²⁸ These, among other factors, have affected political security immensely.

Conclusion

In concluding this paper on Nigeria's Economic Growth and Security in the Fourth Republic: Human and Political Dimension, it is pertinent to note that achieving inclusive growth in Nigeria requires high rates of economic growth over the long-term, diversified growth, and low inflation, with increasing returns to scale in manufacturing and services. Inclusive growth will also require special programmes aimed at micro-level interventions. There is an urgent need to empower the rural sector. The village economic solutions initiative that seeks the transformation of rural areas through village wealth creation initiatives is a welcome development, but it must be well targeted and not used for political patronage. Nevertheless, achieving some measure of human security remains a top priority for most governments in Africa. In spite of the focus on human security, the fundamental concern with security in Africa still revolves around state or regime survival, and it is becoming increasingly clear that there is a complex interdependence between the political and socio-economic aspects of human security that goes beyond national security.

Political security in Nigeria is at the crossroads between collapse and redemption, but it could be redeemed if appropriate steps are taken. Essentially, the country must have to stem the threats to its political security by deepening the democratic process in the country. This could be achieved by allowing broader political participation, promotion of the

rule of law and due process, as well as promotion of human rights. Security sector, especially, the military and police force, play a critical role in the long-term success of political security; albeit, it is obvious to note that, internal security structures in Nigeria lack civilian and democratic control, international cohesion and effectiveness, and public credibility. They must be placed under democratic control and restructured and retrained. Finally, it is important for Nigeria to treat the issue of political reforms with all the seriousness it deserves for the country to experience some measure of political security. There is often the need to rebuild the people's trust in the institutions, operations and activities that could guarantee political security.

Endnotes

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²*ibid.*

³J. A., Jamila, O. Kenneth, and H. Galadima. (eds.), *Conflicts of...*, p. 219.

⁴K. Booth and P. Vale, Critical security studies and regional insecurity: The case of Southern Africa. In K. Krause & M. C. Williams (Eds.), *Critical security studies: Concepts and cases*, London: UCL Press, 1997, pp. 338-342.

⁵K. Booth and P. Vale, Critical security studies and regional..., pp. 342-345.

⁶Oral interview with J. S. Zaruwa, 62 years, Major General (Rtd.), Cadastral Estate Abuja, 16/ 10/18.

⁷J. A., Jamila, O., Kenneth, and H. Galadima, (Eds.), *Conflicts of Securities...*, p. 159.

⁸*ibid.*

⁹Oral interview with J. S. Zaruwa, 62 years, Major General (Rtd.), Cadastral Estate Abuja, 16/ 10/18.

¹⁰*ibid.*

¹¹*ibid.*

¹²According to VISION 2010, Nigeria has no choice but to record a higher growth rate to meet the basic needs of its people and ensure security of life and property. During this period, approximately 45% of the population was below the age of 15 years, while only 3% of the population was above 64 years. Similarly, approximately 52% of the population is in the 15 to 64 age bracket, which constitutes the labour force, while the critical school age of 5 to 24 years constitutes about approximately 48% of the population. VISION 2010 seem to be better than the earlier development plans because it noted the need for a fundamental shift in the way things are done and the short-term sacrifices needed to achieve the goals it has set.

¹³Obasanjo, O., Obasanjo's Economic Direction 1999-2003. Abuja: Office of the Honourable Minister, Economic Matters, 2000, p. 4.

¹⁴Obasanjo, O., Obasanjo's Economic Direction 1999-2003..., p. 4.

¹⁵Oral interview with J. S. Zaruwa, 62 years, Major General (Rtd.), Cadastral Estate Abuja, 16/ 10/18.

¹⁶In view of the projected fall in the oil price over the medium term, the programme was aimed at rebuilding the net international reserves by US\$2.4 billion to US\$7.8 billion by the end of 2000 (equivalent to 5.5 months of imports).

¹⁷The state-level policy package is the State Economic Empowerment and Development Strategy (SEEDS), while the local government policy package is the Local Economic Empowerment and Development Strategy (LEEDS).

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¹⁹Oral interview with J. S. Zaruwa, 62 years, Major General (Rtd.), Cadastral Estate Abuja, 16/ 10/18.

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²⁴J. I. Elaigwu, and H. S., Galadima, The Shadow of Sharia over Nigerian Federalism. *Publius: The Journal of Federalism*, USA: Summer, 2003, pp. 123-144.

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²⁷*ibid.*