

With a Foreword by  
**HRH Muhammadu Sanusi II**  
Emir of Kano



My Vision for Our Country

# **Kingsley MOGHALU**

Nigeria today appears rudderless, with no particular direction... Our country has no purposeful destiny that we can say with conviction is our lodestar. Our citizens are increasingly unsure, what being a Nigerian means... This is a fundamental challenge that we must overcome, for a country or nation without a clear worldview simply cannot become a prosperous and powerful one.

BUILD  
INNOVATE &  
GROW



KINGSLEY MOGHALU

With a Foreword by HRH Muhammaɗu Sanusi II (CON)  
*Emir of Kano*

**BOOKCRAFT**  
Ibadan



23, Adebajo Street, Kongi Layout, New Bodija,

GPO Box 16729, Ibadan, Nigeria

Tel/Fax : +234-2-7517153

Mobile : +234-803-344 7889; +234-803-722 0773; +234-807-3199 967

E-mail: [info@bookcraftafrica.com](mailto:info@bookcraftafrica.com),

Website: [www.bookcraftafrica.com](http://www.bookcraftafrica.com)

Kingsley Moghalu asserts his right to be identified as the author of this work.

© KINGSLEY MOGHALU, 2018

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, photocopying, recording or otherwise, without permission in writing from the copyright owner or publisher.

ISBN: 978-978-55483-4-1

eISBN: 978-154-39370-2-2

# Dedication

To Nigeria, that we may rise and shine.

# Contents

---

Dedication  
Foreword  
Preface

## **PART ONE**

**Vision 1 - LEADERSHIP IS EVERYTHING**

**Vision 2 - THE WORLDVIEW STATE**

**Vision 3 - GOVERNANCE - A NEW PARADIGM**

**Vision 4 - TRANSFORMATIVE GOVERNANCE STRATEGY**

**Vision 5 - INSTITUTIONS MATTER**

**Vision 6 - HOW TO (REALLY) FIGHT CORRUPTION**

## **PART TWO**

**Vision 7 - HISTORY: THE GREAT NATION-BUILDER**

**Vision 8 - 90 MILLION WOMEN: MISSING RIBS**

**Vision 9 - A LETTER TO OUR 60 MILLION YOUTH**

**Vision 10 - OUR CAREER POLITICIANS CAN'T SAVE NIGERIA**

**Vision 11 - THE NIGERIAN DIASPORA**

**Vision 12 - RESTRUCTURING NIGERIA**

**Vision 13 - INTERNAL SECURITY, LAW AND ORDER**

## **PART THREE**

**Vision 14 - BEYOND THE GDP**

**Vision 15 - A PHILOSOPHICAL FOUNDATION OF ECONOMIC GROWTH**

**Vision 16 - ASIAN LESSONS**

**Vision 17 - INCLUSIVE GROWTH (WITH JOBS)**

**Vision 18 - THE INNOVATIVE ECONOMY**

**Vision 19 - HUMAN CAPITAL: EDUCATION WITH PURPOSE**

**Vision 20 - FISCAL POLICY**

**Vision 21 - FOREIGN EXCHANGE POLICY**

**Vision 22 - RESOLVING NIGERIA'S INFRASTRUCTURE CONUNDRUM**

**Vision 23 - HEALTH IS WEALTH: TRANSFORMING NIGERIA'S HEALTH SYSTEM**

**Vision 24 - MANAGING NIGERIA'S ECONOMY**

## **PART FOUR**

**Vision 25 - CREATING EFFECTIVE FOREIGN POLICY**



## Foreword

---

If any country needs a bold vision of how to turn its underachieved potential into reality, it is Nigeria. Few are more equipped and prepared to offer such a roadmap as Kingsley Moghalu.

It is gratifying therefore, that just a few years after his critically acclaimed book *Emerging Africa*, which was a tour de force on continent-wide economic transformation in Africa, Kingsley has turned the full focus of his vision more precisely on our country Nigeria.

*Build, Innovate, Grow* (BIG) covers a wide range of issues. But that is the strength of this work, for Nigeria's challenges are multifarious and multifaceted. And they are all connected. We can't have good governance without good leaders and good leadership. Those attributes are essential for nation-building. Meanwhile, to create a thriving Nigerian economy we must have a stable and cohesive nation. Without both, any hope of an effective foreign policy that projects and protects the interests of our 180 million citizens will remain a mirage. Effective foreign policy must be grounded on a strong domestic foundation. It is a great service to our national debate that BIG takes this interconnected approach to important subjects that we erroneously treat as separate and distinct.

I have long been a strong advocate for several issues BIG addresses so brilliantly. It is also noteworthy that the book sets out Kingsley's own views on the debate on "restructuring" Nigeria which, in my view, needs to be grounded more on sound intellectual arguments and less on slogans and demagoguery.

As Kingsley writes in BIG, our country surely needs to revisit the role of its women and youth in our society. It is time to end gender discrimination. Women and youth must be mainstreamed into governance and the democratic process. The development of Northern Nigeria, for example, has been held back by extremely conservative cultural attitudes to the education of the girl-child and the immunisation of children against deadly diseases such as polio. Many of the problems faced by the north today – extreme poverty, the so-called "Almajiri Syndrome" with millions of children begging on the streets, drug addiction, thuggery, extremism, herdsman-farmer conflicts etc, – take their roots from a failure of social policy. Regulating age of marriage, regulating polygamy, protection of the Rights of Children to care and education, ending domestic violence are critical components of development policy. Sustainable economic development will remain a mirage without the appropriate environmental, social and governance frameworks in place.

What else can be said about the Nigerian economy? BIG articulates a vision of economic policy and management with which many would agree.

Those who disagree at least have a clear position on which a rational debate can be held. The thesis in summary is this: The government cannot replace the role of the marketplace and try to do everything for everyone. The big state cannot work. The world has long since moved on from the days when the state was at the "commanding heights" of the economy. Rather, the government should create an enabling environment for the inflow of investments in infrastructure and manufacturing, strengthen institutions, and focus on the development of innovation and human capital.

Kingsley's discussion of fiscal and foreign exchange policy is doubtless informed largely by his experience as a Deputy Governor of the Central Bank of Nigeria during my tenure as the Governor. Together with other colleagues, we laboured with significant success in the vineyard of our mandate as Nigeria's monetary authority and financial and payment systems regulator. I have always said that the secret of our success lay in the team spirit and collegiate leadership we established. I was blessed with a wonderful team of Deputy Governors, Board and departmental directors who were fiercely loyal to their country and the institution they served. As a result we all ended up not just as colleagues, but friends for life.

Here I must pay tribute to Kingsley's contributions to our collective achievements in stabilising and reforming the Nigerian banking sector after the global financial crisis, as well as his ability to effectively communicate those reforms to the Nigerian public.

I also commend his knack for turning practical experience into intellectual capital and policy insight. Thus, *BIG* is clearly a vision informed both by Kingsley's worldview and by an impressive, versatile career across multiple domains – nation-building and diplomacy in the United Nations service, economic and financial policy and regulation at the CBN, and his time as a professor of international business and public policy at the Fletcher School at Tufts University.

This is a book whose time has come – a BIG vision for our country indeed. I hope that it will inform and inspire public debate and policy action to improve the lot of our citizens today, and shape the future of our youth and

children. It is a vision worthy of our engagement to make it a reality.

**MUHAMMADU SANUSI II**  
**Emir of Kano**

## Preface

---

I wrote this book in a season of anomie in Nigeria. Our country is clearly adrift. Our nationhood is questioned even as it is not yet formed. We are more divided than at any time before or after our civil war. Poverty and unemployment are rife.

Across the land, the very security of life and limb is daily assaulted by mass killings. Where, we ask, is the state? New forms of terror have risen even as the battle to degrade Boko Haram rages in the Northeast. Fear and tension stalk the land – and our lives.

And yet, hand-wringing and wailing are not the answer. Without a vision the people perish. We must act.

With Nigeria's population rising at a brisk pace, what is our future, what is our destiny? We need a vision to navigate and shape that future. At times like this we must think BIG.

*Build, Innovate and Grow* (BIG) is my humble attempt to recommend a vision for Nigeria's future.

Visioning is the first requirement of leadership. Corruption, tribalism, incompetent leadership and primordial clannishness cannot be our destiny in the competitive and productive world of the 21st century.

I wrote BIG because I am passionate about Nigeria and about how we can, together, attain our potential as a wealthy and powerful country that will take its rightful place under the sun.

My time since the completion of my tenure as a Deputy Governor of the Central Bank of Nigeria in November 2014 has been one of reflection and new horizons while I held a professorship in international business and public policy at Tufts University's Fletcher School of Law and Diplomacy in Massachusetts, USA.

Driven by a felt imperative for Nigeria's progress, I returned home in November 2017 and established the Institute for Governance and Economic Transformation (IGET) to advance the process of turning ideas into action. This book is one of the early outcomes of that endeavor.

BIG has benefited from the insights of several talented Nigerians. I owe a debt of gratitude to Eyo Ekpo, Ambassador Regina Edzuwah, Joe Abah, and Uchenna Igbokwe.

As always, my wife Maryanne Moghalu and our children Tobenna, Sochimaechi, Yagazie and Chidera were there for me as I worked on the book, discussing and debating several aspects of it. All errors and shortcomings nevertheless remain mine.

With *Build, Innovate and Grow* I rededicate myself to the service of our fatherland. To paraphrase the immortal words of Nelson Mandela, this struggle to reinvent Nigeria for the better has now become my life. We all, working together, can get it done. Let's get to work.

**Kingsley MOGHALU**

**Abuja, February 2018**

# PART ONE

**“Good governance, then, is largely defined by its key elements. These include effectiveness, transparency, inclusiveness, accountability, efficiency, and respect for the rule of law.”**

**“Nigeria today appears rudderless, with no particular direction in the world. Our country has no purposeful destiny that we can say with conviction is our lodestar.”**

# Vision 1

---

## LEADERSHIP IS EVERYTHING

### **Leadership Is Under Threat Worldwide**

AROUND THE WORLD TODAY, THE VERY IDEA OF LEADERSHIP CONFRONTS BIG CHALLENGES, BIG OPPORTUNITIES, AND BIG possibilities. From corporate leaders in advanced industrial countries who have to worry about the implications of disruptive innovation, the demands of corporate citizenship on business models, and the rising political risk to bottom lines from the surge in populism in western democracies, to entrepreneurs in Nigeria faced with unstable macroeconomic environments, absent infrastructure, policy inconsistency, and weak institutions, leadership is stressed and challenged.

From the political ferment in the United States in the era of Donald Trump to the stunning victory of Emmanuel Macron in response to the yearnings of French citizens for bold, new leadership. From the electoral shifts in the recent elections in the United Kingdom in the era of Brexit to the political crisis in Brazil over allegations of corruption against its elected leaders, leadership is the big issue. For good or ill, we live in its shadow.

We can understand why: in all its manifestations – political, corporate and entrepreneurial, science and innovation, academia, healthcare and public policy, leadership is the main determinant of social and economic progress.

It should be clear that the consequences of leadership failure, while not good for any society, developed or developing, are far more profound for developing countries such as Nigeria. Developed countries have strong institutions that can mitigate the effects of bad or weak political leadership. But our country, saddled as it has been with fledgling or undeveloped institutions, cannot achieve transformational progress without effective domestic political leadership.

### **What Real Leadership Means**

We must confront and overcome the critical challenge of leadership in Nigeria if our democracy is to yield good governance, if the entrepreneurial talent expressed in the narrative of an Emerging Africa is to yield true economic transformation, and if the dynamism and ingenuity of Nigerians is to translate into an explosion of innovation that can make us competitive in a globalised world.

**Leadership is about utilising appointive, elective or situational authority to envision, to inspire, and to take calculated risk.**

How can we get leadership to make Nigeria prosper and matter? We have seen impressive leadership by Nigerian entrepreneurs. These businessmen and women are altering our national narrative from one of poverty and foreign aid to one of creativity and wealth creation. Nigerian entrepreneurs are making progress against all odds. But they remain outliers in a sea of poverty, successful not because of good leadership and governance in our country but rather in spite of bad leadership and governance.

Our country's leadership problem is located mainly in our venal politics. But it is precisely this space that determines what kind of society, economy, education and health system that we have.

The first order of business is that of our minds. We must reinvent the Nigerian mindset. Our minds determine whether or how we understand what leadership means or doesn't. Our minds determine what kind of worldview we bring to the task and responsibility of leadership. And our minds determine whether we have, or can acquire, the character and competence of leadership.

Great leadership must be transformational. I always approach the subject of leadership with the end in mind: what, for example, would be said about my service after I have completed a specific leadership task or

responsibility? Indeed, to envision more radically, what will be said at my funeral? (One should hope that that event will hold somewhere north of my 100th birthday!)

I have applied this understanding to every leadership role in which I have had the privilege to serve – from national reconciliation and nation-building work by the United Nations in New York, Cambodia, Croatia and Rwanda to institutional and management reform in the UN, from building global partnerships and raising billions of dollars for social investments in developing countries by The Global Fund in Geneva to structuring and facilitating investments in emerging markets, from leadership roles in monetary policymaking and banking sector reform in Nigeria in the wake of the global financial crisis to serving as a professor in one of America’s premier universities, my vision has always been to leave the situation, institution or assignment I was tasked to handle much transformed from where I met it.

Leadership is about utilising appointive, elective or situational authority to envision, to inspire, and to take calculated risk. A leader’s task is to take societies, family units, organisations or institutions from A to Z or whatever point in the 26 alphabets is relevant, necessary, and possible. It is not, as we often misunderstand it in Nigeria, about merely holding positions of power or deploying authority mainly for self-serving purposes. This is why many career politicians in Nigeria that consider themselves “leaders” are in fact – and despite the veneer of democratic processes – more accurately “rulers”, or minions and accomplices of despotic power.

Leadership requires a certain kind of character that emphasises and upholds core values, a sense of abnegation to consciously forgo opportunities to advance self or other narrow interests, and the competence to bring these values to bear in a manner that creates change and sustains social progress.

In an illuminating article by Sunnie Giles that was published in the Harvard Business Review (“The Most Important Leadership Competencies”, According to Leaders around the World, HBR, March 15, 2016), the author’s research found that the top 10 leadership competences, based on the percentage of respondents from 200 global leaders asked to rate 74 qualities, were:

- (1) Has high ethical and moral standards (67%);
- (2) Provides goals and objectives with loose guidelines/direction (59%);
- (3) Clearly communicates expectations (56%);
- (4) Has the flexibility to change opinions (52%);
- (5) Is committed to my ongoing training (43%);
- (6) Communicates often and openly (42%);
- (7) Is open to new ideas and approaches (39%);
- (8) Creates a feeling of succeeding or failing together (38%);
- (9) Helps me grow into a next-generation leader (38%);
- (10) Provides safety for trial and error (37%).

As Giles explained, neuroscience confirms that a leader that possesses high standards based on core values and acting consistent with it, when combined with the ability to communicate expectations clearly, creates a safe and trusting environment and heightens brain activity related to creativity, social engagement, and a drive to excellence.

Leadership for Nigeria requires a worldview that can build a real nation-state out of the hodge-podge of ethnic nationalities lumped together by Britain as colonial power. For this to happen, a Nigerian leader must be able to rally his or her countrymen and women around a common goal and destiny that is higher than what divides us. It is around this goal that we must thrive together for progress. This is different from the narrow views that fuel the ethnic and religious-identity irredentism that have dominated the domestic political space in Nigeria.

**But in order to liberate and educate citizens, the leader, must have the substance with which to educate and liberate.**

We are trapped in these ethnic tensions and strife because our rulers have exploited these divisions in the past instead of liberating and educating their citizens. But in order to liberate and educate citizens, the leader, must have the substance with which to educate and liberate. As the legal maxim puts it, *nemo dat quad non habeat* (you cannot give what you don’t have). Fela Anikulapo-Kuti, the late Nigerian musical maestro, had little time for elegant Latin maxims. He put it bluntly in one of his songs: “Teacher, don’t teach me nonsense”!

## **Nigeria’s Leadership Jinx**

In the quest for good leadership and governance in Africa, few if any countries are more important than Nigeria, Africa's largest economy and most populous country with 180 million people. Nigeria, like many African countries, has made some progress, but far too little. We are a far distance in our stage of development from where we could have been after 57 years of independence. Nigeria's case is especially disappointing when we consider the country's vast reservoir of human capital and the dynamic nature of its enterprising people.

As the great African writer Chinua Achebe wrote, "Nigeria's problem is simply and squarely that of leadership". This leadership failure has led to slow progress (and many outright reversals) in the quest to build a united nation, and a dependence on raw mineral and commodity exports (crude oil) for foreign exchange earnings that has prevented real economic transformation.

Nigeria's leadership jinx flows out of three conundrums. These are the "us versus them", the "power versus responsibility", and the "loyalty versus competence" syndromes.

"Us" v "Them". This is the problem of ethnic religious or other atomistic identity that defines the acquisition or exercise of political power in African countries. An extreme attachment to these primordial identities creates factions. This problem exists even in mature democracies and economically advanced countries such as the United States, Belgium and Spain, but because these countries have already achieved advanced economic progress, the problem is an imperfection or a characteristic in their democracies, and is better managed in the wider national interest. In Nigeria it manifests as ethnic or religious identity politics in which politicians feel they can only trust persons of their tribe or faith. This narrow worldview is a foundational problem that has prevented the development of exceptional leadership.

The effect of these divisions on leadership selection and practice is that contests for political power in Nigeria are based not on ideology or clearly articulated leadership goals, but are in reality contests for ethnic or religious dominance. Political power obtained on this basis can hardly be exercised as transformational leadership. This breeds a "governance" culture of patronage based on divisive identities.

**Leadership for Nigeria requires a worldview that can build a real nation-state out of the hodgepodge of ethnic nationalities lumped together by Britain as colonial power.**

Authority v Service/Power v Responsibility. In Nigeria, as in many other African cultures pre-colonial rule, the power of traditional Kings was absolute. This cultural reality has not adapted well to concepts of modern statehood, democracy, and the checks and balances offered by the separation of executive, judicial and legislative power. Political leadership is thus often perceived in Nigeria more as authority than service, as raw power rather than responsibility. In this context, electoral accountability for the performance of leadership is often weak. This cultural reality, however, is beginning to change in a gradual but irreversible direction as democratic practice matures toward substance rather than the mere formality of holding elections.

This power/responsibility conundrum is also reflected in a prevalent culture of sycophancy in political leadership. Few aides or government officials can provide independent minded and objective advice to a superior at any level of authority and leadership. This culture of prioritising a place in the good graces of a leader's ego over actual work performance creates a strong incentive for leadership failure. ("L'elat c'est moi") ("I am the State"), as the French King Louis XVI famously stated. Many Nigerian political leaders have this mindset.

Loyalty v Competence. The "Us versus Them" instinct combined with that of power versus responsibility creates an exaggerated need for Nigerian leaders to surround themselves with "loyal" aides. Often, personal loyalty is reified above competence because our career politicians want to feel secure in the loyalty of subordinates with whom the leader is personally acquainted. This tendency often excludes competence from a leader's immediate orbit, precisely because transformation is not the leader's real priority. On the contrary, African leaders who have placed a strong accent on technocratic competence in countries like Rwanda and Nigeria during the presidency of Olusegun Obasanjo from 1999 to 2007, have been able to achieve transformational or at least significant progress, in particular in economic management which is Africa's real contemporary challenge.

### **Citizen-solutions**

How can Nigeria overcome its leadership capital deficit?

Fortunately, democracy offers a great opportunity for an improved process of leadership selection. This brings to my mind the role of the citizen. In a normal scheme of things, it is leaders that shape the destinies of nations, but in functioning democracies citizens act as a check on leadership performance. In a country such as ours, then, where so-called leaders have performed so poorly, it is time for citizens to stand up for their own future.

Our citizens must exercise their democratic rights more effectively and make choices informed by objective leadership selection criteria. That criteria needs to include character, competence, and relevant experience, as well as the track record of persons seeking positions of leadership. To do so, voters must understand what really is in their best interest. That “what” is frequently different from the primordial affiliations and the patronage systems that politicians exploit and build to continue ruling instead of leading us. When subjective factors such as ethnicity, religion and corrupt inducement determine who we vote for in elections instead of objective leadership competence in leadership selection, we become very active accomplices in their own poverty.

A paradigm shift in leadership selection will require voter education by civil society organisations. It calls for increased demands for democratic accountability by citizens and civil society, the institution of a real social contract between states and citizens as demanded by the latter, and an all-important emphasis on leadership training for the up and coming generation of youth who we should want to be real leaders, not rulers, of tomorrow.

## **Conclusion**

The leaders of Nigeria must build a real nation-states out of what Count Clemens von Metternich, Europe’s leading statesman in the early 19th century, referring to Italy, called “a mere geographical expression” – in other words, countries that are artificially formed and are not nations in a real sense. Our leaders have the responsibility of building institutions that can create a level playing field for everyone and shield citizens from tyranny, to achieve economic transformation, and to reclaim our countries’ place in the world.

Citizens, for their part, have the responsibility to decide who should have the responsibility for their welfare. In many African countries, they have not taken this duty as seriously as they should. Professor Ameena Gurib-Fakim, the competent and erudite President of Mauritius – one of Africa’s most successful countries – put it so pithily: “But the onus is also on all Africans. People have to start asking the right questions. Politicians, leaders, policymakers in normal democracies are all accountable to the people. But, and I am sorry for saying this brutally, we get the government we deserve. The one we vote in. It’s your vote”.

## **Recommendations**

The next president of Nigeria must take the following leadership actions beginning on Day 1 of his/her four-year term of office:

- Communicate clear goals based on a unifying vision of Nigeria’s national destiny
- Uphold high ethical and moral standards of governance
- Lead by example based on the principles of transformative leadership
- Ensure the execution of the appropriate training for the effective management that must support such transformative leadership across the length and breadth of Nigeria’s public service
- Personally (not delegate ministers or other Government officials) hold regular town hall meetings across the country to communicate a new vision of leadership and governance in Nigeria and get a 360-degree “leadership audit” from the citizens of Nigeria
- Support and empower the “Office of the Citizen” to hold the government and governance accountable to the citizens of Nigeria.

---

***Our country’s leadership problem is located mainly in our venal politics. But it is precisely this space that determines what kind of society, economy, education and health system that we have.***

---

# Vision 2

---

## THE WORLDVIEW STATE

NIGERIA NEEDS TO BECOME A WORLDVIEW STATE. IN OTHER WORDS, OUR COUNTRY NEEDS TO BE DRIVEN BY A WORLDVIEW.

We all have worldviews, that mental and philosophical compass that guides how we see and interpret the world and make our way through life. The Oxford dictionary defines a worldview as “a particular philosophy or conception of the world”. And as I say, humorously but at the same time with all seriousness when I speak to global audiences – and paraphrasing a popular credit card advertisement – “my worldview is like my American Express card; I don’t leave home without it”.

As it is with individuals, so it is with countries and nations. Just as an individual without a worldview is one without a road map to navigate life, so is a country without a worldview rudderless in the world.

The question of worldviews matters for nations and individuals. It’s not so much a matter of whether or not a worldview is right or wrong, for worldviews are really subjective for the most part. It’s more about the consequences of the worldview for individual or national progress and what happens when a country, which is our focus here, doesn’t have one.

Nigeria today appears rudderless, with no particular direction in the world. Our country has no purposeful destiny that we can say with conviction is our lodestar. Our citizens are increasingly unsure of what being a Nigerian means. This is a fundamental challenge that we must overcome, for a country or nation without a clear worldview simply cannot become a prosperous and powerful one.

**Worldviews automatically lead to a set of values and organising principles for societies that have these solid philosophical foundations.**

There are several reasons, each of practical importance and consequence in our national life, why Nigeria needs to become a “worldview state”.

The first reason is that we are not truly a united country. Without unity and a common sense of purpose, we as Nigerians cannot achieve much as a country and make real progress. When a country is not organised and motivated by a worldview, “small views” reign. In our case, these “small views”, which in reality are very narrow worldviews, are ethnic and religious irredentism, intolerance, and corruption.

Ethnic groups such as the Hausa-Fulani, Yoruba, Igbo, Ijaw, or Tiv, for example, have become the most important identifiers for us. We are losing all sense of primacy or the importance of Nigerian-ness. We retreat into our primordial cocoons of nativity as opposed to identification with modern statehood. When we travel overseas and identify ourselves as coming from Nigeria, we are often met with a typical response: “Are you Igbo, Yoruba, or Hausa?” Kenyans don’t get asked by immigration officers in an American airport or by British shop attendants whether they are Kikuyu, Luo, or Kalenjin. Ghanaians don’t have to affirm or clarify that they are or are not Ga, Fante, or Ashanti. Why is our ethnologic sociology in Nigeria so nationally and even globally prominent?

It is because of the fundamental failure of Nigeria’s contemporary political leadership to create a worldview that unites us around some national vision, destiny or ambition. Rather, the cleavages of ethnic or religious identity became the path to political power for Nigerian politicians. Because there is no loyalty to any value higher than our selfish and other narrow interests such as ethnic/religious dominance, corruption reigns supreme in Nigerian public life. The Nigerian state is unstable and lacks cohesion. Low level conflicts abound, from the killing fields of Benue State to the creeks of the Niger Delta.

This is why creating, promoting, and internalising a national philosophical worldview is the fundamental way to solve the problems of ethnic and religious bigotry in Nigeria. We are not the only country in the world that has a diverse population. Indeed, diversity within countries is the default composition of most of the world’s countries.

The notion that every culturally and linguistically cohesive group should become its own country would result in disruptive global chaos! We must therefore develop a worldview because it will help us define to ourselves who we are as a people and defeat disunity and divisions that have only kept us poor.

We also need a Nigerian national worldview to help us achieve our potential. That potential, which springs from our being a dynamic, vibrant, and hardworking people full of world-class talent, has been much talked about but has remained a mirage. Yes, we are the country of potential, but potential is not a strategy. So was Haiti two centuries ago. After 57 years of independence, it is time we moved from potential greatness while wallowing in real poverty, to actual greatness which makes our poverty (mostly) history.

A worldview will give us the motivation and the tools to shape and meet our national goals because it is the only thing that can drive progress that is genuine, one that we can measure and sustain. This is because value systems that define a country, and a knowledge system that equips a nation's citizens to acquire, interrogate, and validate knowledge, and a strategy to attain collective goals are all part of any coherent worldview. Worldviews automatically lead to a set of values and organising principles for societies that have these solid philosophical foundations.

Thirdly, having a worldview matters for Nigeria because it will enable us to assess from a comparative and competitive standpoint the distance between us and other more successful countries. That assessment should mostly be from the perspective of technological achievement and economic productivity, but also should include values. Thus, for example, a solid worldview can drive us to catch up with and possibly overtake countries that, at our independence from colonial rule in 1960, had less economical or technological prospects than Nigeria, but today are advanced industrial economies or at least emerging markets while we have remained a poor, "frontier" market economy. Countries such as Malaysia, Indonesia, Thailand, and even South Korea fall into this bracket.

Nigeria also needs to become a worldview state so that our statecraft – our economic management, global diplomacy, and security and intelligence services – can actually advance the real interests of our people – the nearly 200 million Nigerians – rather than those of foreign countries. These are countries whose worldviews are driving their own activities and advancing their own national interests.

The first basic set of questions a worldview asks and answers are these: why is the world the way it is? Who are we as people in it? Any country that fails to ask these basic questions and answer them correctly will remain a third-rate player in the international society of states.

There are three particular subjects of practical importance to which the Nigeria of my vision as a worldview state should address itself. The first is globalisation. The second is foreign aid. The third is whether or not there is such a thing as an "international community". Nigeria cannot have leaders in the 21st century who don't understand what globalisation really means as well as its opportunities and implications for us as a country.

**...the major weakness of this worldview was that it was exclusively a political one and lacked a domestic economic dimension.**

Globalisation is not random or accidental. It is the product of a deliberate design by globalising nations. The phenomenon is driven by a worldview, a global strategic intent to dominate the world. Technology is the chief driver and conduit for globalisation, and innovation is what generates technology today.

The countries that have technological prowess that springs from innovation are the most productive and globally competitive today, and this trend will continue in the foreseeable future. The expansion of new frontiers into driverless and renewable energy-fueled vehicles that do not need the hydrocarbons on which our economy relies so heavily, as well as the increasing importance of artificial intelligence, have important implications for us and our place in the world economy.

We must understand, then, as part of our worldview, that we should aim not merely to be a marketplace for the products of globalisation such as our Android-powered Samsung and Apple mobile telephones. Rather, we must become part of the production value-chain of globalisation. This is what the Southeast Asian countries have done and continue to do. The worldview lesson is simple: globalisation has drivers and passengers. Right now, we are passengers. We should, and can, move to the steering wheel. I will discuss how we can do this in the chapter on innovation.

As for foreign aid, my world view is simple: Nigeria should be giving it, not receiving it. This was once partly the case. Foreign aid is a tool of power projection that gives effect to the worldview of donor nations. The President of Ghana, Nana Akufo-Addo, made the case that Africa does not need foreign aid and that our relations with the Western powers should not be anchored on aid. President Emmanuel Macron of France, who was giving a joint press conference with the Ghanaian leader when the latter made this bold and "politically incorrect" assertion, appeared to have been caught off-guard by an African leader boldly asserting what should be a fundamental worldview for African countries.

Nigeria has, in recent years, become an expanding recipient of foreign aid. The humanitarian crises in the Northeast region became the excuse for our government to hold out a begging bowl in the capitals of industrialised nations. In my vision of my country, this is beneath our dignity. Even more practically, as in most cases in Africa, the aid received has not achieved its ostensible purpose. Instead, it created yet another empire of corruption for Nigerian government officials, and jobs and a comfortable lifestyle for foreign aid workers. The victims of Boko Haram deserve better. Were Nigeria a worldview state, we would have handled this grave humanitarian crisis more effectively, with our own organisation, initiatives, and resources.

The “international community” is a great exaggeration. It is an aspirational phrase. What exists in reality in the world today is an anarchical international society of states, each jostling for its own national interests. Nigeria must understand this is in the context of a clear worldview, and conduct its foreign and international economic policy accordingly. Else, we will continue to be exploited by the international powers of the West and the East.

In a worldview state, everything is driven by the national worldview, a national sense of self and our place and purpose in the world. It will be the core narrative, the reason we exist. We were once a worldview state, or at least partially so. Paradoxically, that was during the era of military rule, in particular during the Murtala Mohammed/Olusegun Obasanjo military government from 1975 to 1979.

Nigeria exuded a dynamic sense of purpose and sure-footedness in foreign policy in that era. We saw ourselves as the bellwether country of the black race and played a decisive role in the liberation of South Africa from Apartheid and the emergence from black majority rule, as well as the decolonization of such Southern African countries as Angola, Mozambique, and Zimbabwe.

But the major weakness of this worldview was that it was exclusively a political one and lacked a domestic economic dimension. Thus, we remained a petro-state on fiscal life support from crude oil sales and failed to diversify our economy into a truly productive one. Only a real worldview, one with economic transformation as a core component, will enable us to return to our rightful place in the world. Worldviews drive powerful countries such as the United States, Russia, China, the European Union and the rising countries of East Asia. We know of “the idea of America”, the “manifest destiny” of the United States, its self-image as the “shining city on the hill” and a “land of the free, home of the brave”. More recently, the Donald Trump presidency’s worldview of “Make America Great Again” has had important consequences for the previously dominant liberal world order, and for the United States itself.

**We must understand, then, as part of our worldview, that we should aim not merely to be a marketplace for the products of globalisation such as our Android-powered Samsung and Apple mobile telephones.**

With the “peaceful rise of China” worldview and a switch from a communist to capitalist economy, China steadily transformed itself into a great economic power and the world’s second largest economy after the United States, with the ambition to overtake America. Russia under Vladimir Putin, a former KGB agent, operates under a worldview of the restoration of a Russian global influence that Putin believes declined in the post-Communist era. Rwanda and Ethiopia are two African countries consciously – and to a large extent successfully – pursuing the worldview goal of “developmental states”. Rwanda has reduced its child mortality rates more than any other country in the world in the past two decades.

### **Leadership with a Real Worldview**

The most important aspect of the paradigm shift that our country needs in leadership selection is the emergence of a national leader with a real worldview. This type of leader will necessarily possess a combination of intellectual depth, a mindset capable of philosophical reflection, and the practical leadership ability to inspire, motivate, and provide guidance to Nigerians. He or she will be able to appeal to both our enlightened, collective interest in a radical departure from the absence of real nationhood, and to “the better angels of our nature”.

Historically, great leaders have had this ability. From Abraham Lincoln of the United States to Britain’s Winston Churchill and Singapore’s Lee Kuan Yew, from China’s Deng Xiaoping to Malaysia’s Mahathir Mohammed, from Botswana’s Seretse Khama to Mauritius’ Ameenah Gurib-Fakim, the countries led by these men and women have been built and developed on the basis of clearly discernible worldviews. In the context of Nigeria’s tortured past and the possibilities before us, a leader with a worldview of radical transformation in the direction of national unity, economic development, and Nigerian’s place in the world is now needed in our country.

My vision of how we can reinvent Nigeria as a worldview state rests on the following steps and processes:

### **A Worldview Charter**

I recommend the establishment of a simple, relatively short but profound worldview charter entitled “Nigeria: One Nation, One Destiny” (I know, this was the slogan of the National Party of Nigeria, NPN, in the Second Republic!). This document should be prepared by a committee of relevant intellectuals drawn from the fields of philosophy, history, literature, law, sociology, engineering, economics, sciences, and business. The document should not be more than two pages and be rendered in a simple and easy-to-understand language. It should address the following issues:

- The Amalgamation of 1914
- The promise held out by the anti-colonial struggle and “the labors of our heroes past” – the three Founding Fathers Dr. Nnamdi Azikiwe, Chief Obafemi Awolowo, Sir Ahmadu Bello, as well as Anthony Enahoro and Gen. Murtala Mohammed.
- A determination to re-create a united nation by building on the strength of our diverse, dynamic people
- Express collective regret at the loss of millions of lives lost in the Nigerian Civil War and declare that such a tragedy will never happen again
- An affirmation of the importance of justice, equity, and the rule of law as the basis of governance in the “New Nigeria”
- A clear affirmation of entrepreneurial capitalism which encourages the ethic of individual hard work, while seeking an appropriate balance between the role of the state and the marketplace, as the foundation of a productive Nigerian economy in the context of a developmental state
- The need to establish a true social contract between the state and the citizen, and encourage citizens to pay their taxes on this basis
- Innovation and skilled human capital, not natural resources, as the foundational basis of economic activity in the “New Nigeria”
- Nigeria’s place in the world on account of its unique position as the biggest economy of the black race in the world

This charter should be ratified by the National Assembly and all State Assemblies, and signed by the president and all state governors in Nigeria

### **Worldview Education**

The worldview charter should become part of the curriculum in all primary and secondary schools in Nigeria, with a simplified emphasis at the primary school level and a more comprehensive study in secondary school. This will create a new generation of Nigerians with the requisite mindset of patriotism and strategic national ambition.

### **Worldview Communication**

The president of Nigeria and his or her cabinet should act on and communicate this worldview in all governance activities, as should all state governors and national and state legislators. Building great nations often requires leaders with a strong ability to communicate to their fellow citizens and to lead by example.

This worldview state is a fundamental condition precedent for good governance, to which I now turn.

---

***I recommend the establishment of a simple, relatively short but profound worldview charter entitled “Nigeria: One Nation, One Destiny”***

---

# Vision 3

---

## GOVERNANCE-A NEW PARADIGM

A TRUE LEADER MUST ENVISION, INSPIRE AND MOTIVATE. HE OR SHE MUST BE ABLE TO TAKE CALCULATED AND WELL-MANAGED risks based on his or her vision. But good political leadership must be backed up by good governance. This is the process by which governments and public institutions conduct public life and manage public resources. You could say that the ability to govern well is the acid test of leadership. Governance, more broadly, is basically how decisions are made and implemented.

“Leaders” who believe they have earned being described by such a term because they are good at the vote-winning – or rigging – tricks of partisan politics, but have no clue about how to govern effectively, have kept our country poor. Nigerians yearn to be set free from the vice-grip of such compatriots, and deeply desire good governance.

It is time for Nigeria to be governed in a manner that is fundamentally different and vastly improves on our disappointing national experience with governance. How a leader governs is determined by his or her worldview, the absence of one, or how well developed such a worldview is.

Good governance, then, is largely defined by its key elements. These include effectiveness, transparency, inclusiveness, accountability, efficiency, and respect for the rule of law.

### **Effectiveness**

To use Creative Learning’s memorable phrase, “governments must govern.” A government must deliver on the promises it has made or deliverables that are essential for effective governance. Effectiveness is regarded as the most important criteria of good governance. There is nothing more pathetic, as has become the norm in Nigeria, than to keep hearing the excuses for leadership failure in contemporary Nigeria such as: “the President means (or meant) well, but ...” The blank could be filled in by anything from the activities of “cabals” a domineering presidential spouse, incompetent and ineffective ministers and aides (all appointed by the President) and sundry other excuses. The buck stops with the leader, whether the president, a state governor, or a local government area chairperson. An ineffective government is a reflection of an ineffective man or woman elected to a responsibility he or she lacks the capacity to deliver on.

Effective governance requires more than good intentions. Meritocracy is an important dimension of effective governance. Competent individuals must be selected to positions of public trust. Merit should not be sacrificed in the alter of federal character, because we know that there are highly competent and skilled Nigerians from all parts of our country.

### **Transparency**

This attribute of good governance requires that governance processes, in particular decision making processes, be easily visible and susceptible to monitoring by other arms of government, citizens, civil society, or the private sector. Transparency stimulates trust between the government and citizens because it lets citizens know that there is no hidden agenda and that the government and its institutions are willing to be accountable. Transparency in governance also helps check corruption. Its absence in governance in Nigeria is a major reason for the massive and corrosive corruption in Nigerian governments.

**It is time for Nigeria to be governed in a manner that is fundamentally different and vastly improves on our disappointing national experience with governance.**

### **Accountability**

Governments need to be accountable to citizens and their constituencies. For this to be the case, citizens must be empowered to ask questions, demand answers and, if deemed necessary, vote out non-accountable governments. Governments in Nigeria are overwhelmingly not accountable. This is because Nigerian citizens are docile, poor, and still largely asleep to their power as citizens. The civil society is relatively vibrant, and Nigerian citizens voted an incumbent president out of office in 2015. But it remains to be seen whether that occurrence was a unique one or whether it can be repeated. The forces of government “power” arrayed against the average Nigerian citizen, deployed by both career politicians and politically subservient public institutions, remain significant. I want my fellow countrymen and women to wake up to their power in a democracy and turn that power into a culture of accountability.

### **Rule of Law**

Good governance is impossible without the rule of law. Government must respect the rule of law, for that is what differentiates a democracy from despotism. Decisions must follow and respect legal norms and due process, notwithstanding that such decisions may be well-intended.

### **Inclusion and Participation**

Good governance emphasises process as well as results. The inclusion and participation of all relevant stakeholders, and citizens more broadly, is essential to good governance. This requires a process of consultation before major public decisions are taken. Inclusion also requires, in a diverse population such as Nigeria’s, that citizens of all ethnic nationalities and religions be made part of governance and decision making. Where particular sub-groups are favoured in appointments to public offices and other opportunities, it is the worst kind of governance because it breaks the trust between the government and excluded groups, disrupts or prevents the achievement of natural unity and cohesion, and in extreme cases can breed political and even armed conflict.

**A government must deliver on the promises it has made or deliverables that are essential for effective governance.**

### **Efficiency**

Federal and state governments in Nigeria do not execute their mandates efficiently. Efficiency has two dimensions. One is efficiency of processes, which influences how effective a government or its public institutions are. The other is resources consumed by the government itself relative to results achieved.

On both counts, governance in Nigeria is a monument to waste and inefficiency. The process is often inefficient because business efficiency principles are not followed in many public institutions that have become dumping grounds for political patronage. The real purpose of governance processes in Nigeria is often the desire of politicians to retain political power at all cost. It is not to achieve efficient and effective outcomes.

The huge cost of governance in Nigeria, and the real benefits it robs our country in terms of development outcomes such as quality education, healthcare and the absence of social security schemes, is a scandal that has been tolerated and perpetuated by successive federal and state governments. Unless and until we have the political will to cut down waste in public sector governance in which recurrent expenditure in salaries for armies of inefficient and unproductive public sector staff is more than 70 percent of national or state budgets, Nigeria’s politicians will have nothing much to offer our citizens despite rhetoric about their commitment to “good governance”.

### **My Vision for Governance in Nigeria**

I have a vision for a transformational approach to governance in Nigeria. That approach should be anchored on a clear vision of the outcomes the leader would like to achieve by the end of four-year term of office, his or her understanding of public policy, his or her national and/or international experience of best practice standards of good governance. Other elements around which a clear vision of governance should be anchored are political will, preparedness, and proactive readiness for governance responsibilities. The next President of Nigeria should take the following actions in governance.

- Utilise the transition period between winning an election and being sworn into office efficiently and effectively to prepare to hit the ground running on taking office.
- Appoint and announce the key Presidency officials of Secretary to the Government of the Federation, National Security Adviser, and Chief of Staff to the President immediately upon being sworn in as President of the Federal Republic of Nigeria.
- Nominate and announce all members of the Executive Council of the Federation within 48 hours of being sworn

in as President. Subject to Senate confirmation of nominees, the cabinet will commence full time work activity within 30 days of being sworn in as President

- All appointments to Chief Executive Officer and boards of directions positions in public sector parastatals will be made within 90 days from Day One of the new administration.
- Meritocracy and professionalism should be enthroned in the Federal Public Service. Public institutions will be de-politicised, re-professionalised, and administered according to the highest principles of corporate governance, transparency and accountability.
- Unprecedented levels of inclusion into governance, both in terms of decision making process and in personnel appointments will become a hallmark of governance. The constitutional principles of “Federal Character” will be implemented, but without prejudice to merit. No region or section of Nigeria will suffer marginalisation, and our country will be governed on the basis of equity and justice.
- Extensive and fundamental reform of the Federal Public Service will be implemented.
- The cost of governance will be markedly reduced. Concurrent expenditure as a percentage of the overall national budget will be reduced to not more than 50 percent of the budget by the end of the President’s second year in office; savings available as a result will be deployed to four budget line items – health, education, science, technology and innovation, and infrastructure.
- To ensure transparency and delivery on time and under budget, world-class project management companies will supervise all federal infrastructure projects.
- A National Office of Risk Management (NORM) will be established and manned by skilled risk management professionals. Strategy, risk and project management will become an integral part of governance in all ministries, department and agencies.

---

***The huge cost of governance in Nigeria, and the real benefits it robs our country in terms of development outcomes such as quality education, healthcare and the absence of social security schemes, is a scandal that has been tolerated and perpetuated by successive federal and state governments.***

---

# Vision 4

---

## TRANSFORMATIVE GOVERNANCE STRATEGY

### What is Strategy?

IT IS COMMONLY ASSUMED THAT WE DID NOT LACK AN UNDERSTANDING OF WHAT EXACTLY THE OBSTACLES TO DEVELOPMENT ARE. The real challenge is to just get on with 'doing it'. But it is more the case that we have not actually understood these challenges at a depth where it makes a real difference. Most Nigerians understand that factors such as ethnicity or corruption have been big problems. But the real problems are at a full level below. They are foundational, and can only be addressed by a transformation that begins in the mind, in the way we think. Thinking is often more important than we think (forgive the pun). We must 'think it through'.

As a result of not having thought it through for far too long, Nigeria has failed at the formulation and implementation of public policy that is so necessary to create a real change in our circumstances. A discussion of the subject of strategy is therefore essential. The effective formulation and execution of strategy give life to worldviews and moves nations and companies from A to B. The fact that we have virtually no formal structure for strategy formulation, execution and monitoring, as well as risk management structures, is a fundamental failure in an era of modern governance and is an important reason for policy failure, which in turn is a main reason why most of our countrymen and women are poor.

Strategy must become embedded in governance thinking and architecture in Nigeria. To the very limited extent they exist, strategy units in the government tend to be focused on political strategy. This is only a sub-set – and a short-term one – that is aimed at winning and retaining power but is not focused on effective governance and the delivery of value to citizens from the perspective of governance. That is the real art and science of strategy.

Tony Blair, the former British prime minister, had a famous strategy unit in No. 10 Downing Street that drove his governance agenda and ensured that a single thread of vision, communication and execution priority (in his case, education) ran through all the narratives and actions of his ten years in office. Strategy and risk management have in fact only come into their own as legitimate functions in private sector companies in Nigeria in the past decade. While they developed in the context of the competitive ethos of the private sector, and even then only after World War II, their application to the role of the government and the effectiveness of the state – which encompasses the private sector commercial space – is even more consequential for our future.

Strategy, as the strategist Max McKeown has observed, is about shaping the future. It is about how to create the future of our imagination. That 'how' is the difference between dreaming and visioning and bridging the gap in between. Strategy is a set of integrated actions planned over time to achieve a desired outcome. In other words it is a 'game plan' to get from a current state to a desired end-state, and should have defined goals and milestones as well as the resources for achieving these goals. It is a necessary tool for long-term success by good leaders towards achieving transformation at either the corporate, national or regional levels.

But it is important to note that strategy is first and foremost about thinking and about a way of thinking, before it becomes a matter of plans. As McKeown writes in the context of corporate organisations, but also applicable to nations: 'Strategy is about out-thinking your competition. It's about vision first and planning second. That's why it's so important that you think before you plan; and that the thinking part of what you do is given priority. Strategists who don't take time to think are just planners'.

This is why, in response to the banal phraseology of 'stomach infrastructure' in Nigerian politics, which is focused on the immediate gratification of hunger (with food provided of course by politicians seeking popularity to wins elections, rather than being the result of hard work on a level playing field). I have argued that we really need to focus on 'mental infrastructure': a longer-term focus on thinking, planning and execution that delivers sustainable development rather than palliative measures that in reality perpetuate cycles of poverty.

**Most Nigerians understand that factors such as ethnicity or corruption have been big**

**problems. But the real problems are at a full level below. They are foundational, and can only be addressed by a transformation that begins in the mind, in the way we think.**

Strategic intent and ability are linked to the concept of worldviews, since strategy first requires strategic thinkers whose minds are open to vast possibilities and who see the larger picture. Second, worldviews, strategy formulation, and strategy execution are all intricately linked. We ‘make plans’ in Nigeria, but clearly this planning is without the right sort of thinking – without strategic intent. It is therefore planning in a context that has not moved us forward in great leaps in the manner that Asia has.

We should visualise strategy as a compass for steering and coordinating efforts and actions in order to get to a predefined destination. Strategy is not static; the only thing constant during the life span of a strategy is the stated strategic destination, ‘the end-state’. The strategic choices selected to get from current state to future state will evolve as progress is made and new threats and opportunities come to light in the course of implementation. For strategy to be relevant, it has to be dynamic and constantly adjusted in light of new developments, challenges, and opportunities.

It is important to grasp the simplicity of what strategy formulation is. Strategy is something everyone does explicitly or implicitly. It is not complex; in fact there is a simplicity about it that is common sense. Developing a strategy is about understanding your specific issues and challenges, identifying the strategic options available to you in addressing those issues informed by your core strengths, unique position, and opportunities you could take advantage of, and then making decisions on which options to pursue. The decisions thus made result in a set of integrated actions to be implemented in order to move forward.

In practice, formulating coherent strategy for a nation could be daunting, given the complexity and interdependencies of the macroeconomic challenges. For African nations such as ours, this is further complicated by the prevailing high level of poverty, poor infrastructure, high level of illiteracy, poor governance and the absence of accountability, high level of corruption, political instability, insecurity, and unfavourable trade terms. Without a clear destination, however, and a plan of action to get from here to there, we can’t make progress. The difference between having a coherent strategy and not having one is that those nations without one are highly likely to be implementing numerous incoherent and disjointed policies while the nations with a plan of action are more likely to achieve the desired outcome.

Success in deploying strategy therefore lies in the systematic commitment to what makes up a strategy. These elements are: a clear and shared vision; distinct and imbibed values; focused objectives; strategic design; implementation and co-ordination; monitoring and evaluation; consequence management; continuous impact assessment; and strategic revalidation.

Having a plan of action documented and published as a ‘National Strategy 2020 or 2030’ as the case may be, is not in itself the sole driver of success. Transformation can only be achieved through effective and timely implementation of the plan; in other words, effective strategy execution.

### **Starting point: Focused objectives**

Strategy is about turning things on their head and doing something different and differently. The place to begin is to articulate clear objectives with distinct milestones. One of the hallmarks of strategy is objective setting within the framework of a well-articulated and focused vision. For Nigeria to achieve true transformation, as is evident among the BRIC nations Brazil, Russia, India, China and South Africa, such objectives must be articulated within the context of a worldview. Similarly, in entities such as Dubai, Malaysia and Singapore that have achieved a stunning degree of transformation in recent decades, central to their success has been a strategy characterised by clear objectives within the worldview concept. This leads to the articulation of clear competitive positioning of the entity and the development of well synchronised action plans for their operating units with clear milestones.

The definition of, commitment to, and drive towards a distinct and transparent ‘Big Hairy Audacious Goal (BHAG)’, is the compass that guides all action plans of successful entities and the evaluation of the leadership by the followership. It is helpful to start with a few simple questions:

**Strategy is about out-thinking your competitors. It’s about vision first and planning second. That’s why it’s so important that you think before you plan...**

- What is our collective aspiration as a nation?
- Where do we want to be in 10, 20, 30 years?

- What will the future look like?
- Who is responsible for the transformation?
- What should the role of the government be today and in 10, 20, 30 years?

Evaluating, discussing and reaching consensus on the desired future state in view of the current situation would help in starting to create the nation's worldview as we begin to understand the level of transformation required to achieve a shift from the current state to the future one. To have impact, it is important for the different dimensions of the strategic destination to be measurable. The difference between the future end-state and the current one is the Transformation Gap. Identifying the plan of actions to close the gap is the essence of the strategy. Closing the gap requires doing something differently. It is true that 'if you do what you have always done, you will only get what you have always got'.

The strategic destination for Nigeria would be based on our aspirations and current issues, and is only as limited as our desire for lasting change. In developing the strategic destination, it is important to imagine the impossible as possible. Imagine reading this about our country:

Nigeria ranks high (top 30 instead of the current rank of 152 out of 188 countries) in the United Nations Development Program's Human Development Index, with good health, housing, security, 90 per cent literacy level, and high life expectancy and access to reliable utilities.

- Nigeria has low unemployment.
- Nigeria's revenue from its natural resources accounts for less than 20 per cent of its GDP.
- Nigeria is a reference point for good governance, accountability and transparency.
- Nigeria is one of the top 20 nations of the world in terms of per capita income.

This is not impossible. Consider, again, the transformations of the United Arab Emirates, Singapore, Malaysia, India, and Brazil. These transformations did not happen in a vacuum. The leaders of these nations were clear on their desired destination and they had clear worldviews of who they are and what their position in the world should be. And they were committed to making it a reality.

In an increasingly global world, we sometimes tend to over-focus on the competitiveness of nations. What is more immediate and would serve Nigeria better for the long run is productivity. The argument that national level strategy should be focused on how to create an environment that promotes productivity and business is a strong and valid one. As Harvard Business School Professor Michael Porter puts it, 'The principal economic goal of a nation is to produce a high and rising standard of living for its citizens. The ability to do so depends not on the amorphous notion of "competitiveness" but on the productivity with which a nation's resources are employed'. At a national level, the simplicity of this idea puts the emphasis on how well governments are able to mobilise their resources into the key action programmes that would drive productivity and thus help create the transformational shift.

It is paramount that each component of the strategy crafted is measured and reported on. What is measured and reported on will largely determine what will be focused on. Many development indicators are published and tracked, but as informative as they are, it is paramount for success that the portfolio of measures used to track the performance of the strategy are those that matter for understanding progress toward the nation's strategic destination. The measures that inform on the specific performance of the strategy, provide strategic insights and thus help inform the decision on how to adjust the game plan, are by far the most useful. These measures should also be the ones that help in driving collective behaviour and performance at all levels of the society. The measures selected should be driven by the strategy.

## **Strategy Management**

As part of the process of making strategy more science than art, emphasis has shifted from managing strategy solely as a planning process to a process of identifying strategic choices, an emphasis alluded to earlier. This approach to strategy – although planning remains an important aspect of the strategic process – is most agreeable because it is strategy in its purest and most effective form. Taking the choice approach to formulating strategy is what will lead to Africa's transformation. With this in mind, seven steps to strategy making developed by A.G. Lafley, former chairman and CEO of Procter & Gamble, Roger Martin, dean of the University of Toronto's Rotman School of Management, Jan Rivkin, professor at Harvard Business School, and Nicolaj Siggelkow, professor at the University of Pennsylvania's Wharton School of Management, will be critical for Nigeria, with appropriate adaptations:

### **Step 1: Frame a Choice**

The scholars and practitioners of strategy identified the need to move from issues to choices in the context of commercial organisations where issues such as declining profits or market share are dominant for the business corporation. But this leads to a focus on investigating the issue rather than an emphasis on different choices or options that would solve the problem. This is a reactive approach to managing strategy. Choice-making is more

proactive – and more effective. Choices can create the paradigm shifts that Nigeria needs. This is because choices define and determine the future state to which all effort can be directed at achieving; rather than dwelling in lamentations about ethnocentricity, corruption and other well-known shortcomings of the modern African state. It is important to frame strategy as clear choices by converting issues into choices and possibilities that offer paths to resolution. This has been described by A.G. Lafley et al. as ‘the proverbial crossing of the Rubicon – the step that starts the strategy making process’.

### **Step 2: Generate Strategic Possibilities**

Having made choices, it becomes necessary to generate possibilities, which is to say a future state that is often a happy one, and how the country or region might succeed in getting there. The possibilities depend on the context, but should be clear about the advantage the entity aims to achieve, the scope across which the advantage applies, and the activities that would deliver those advantages across the scope that is envisaged. Strategic possibilities should be generated by a team with a diversity of backgrounds, as this often leads to fresh and creative thinking. Many organisations and countries often fall into the trap of stereotyping the persons best placed to generate such possibilities on the basis of whether or not such persons are members of staff of the organisation or members of the government, or whether or not they possess stereotypically ‘relevant’ qualifications. In doing so, they can only limit their possibilities.

### **Step 3: Specify Conditions for Success**

An important part of the scientific formulation of strategy is to specify the conditions in which generated possibilities are viable and valid. As Lafley and his colleagues note, this is not a discussion of what is true as a matter of fact but of what would have to be true for the choice to be a great one.

### **Step 4: Identify Barriers**

It is important to identify what the barriers are to each strategic possibility that is generated, or the barriers to the conditions that would have to be true for those possibilities to be valid. Scepticisms in the process of making strategy are healthy, and can help to improve the rigour of a strategy.

### **Step 5: Design Tests for Barrier Conditions**

This is the next step in the strategy formulation process. In this stage, the strategy management group tests the main barrier conditions in order of importance through a scientifically designed and executed survey of appropriate stakeholders.

### **Step 6: Conduct the tests**

Lafley et al. recommend the ‘lazy man’s approach to choice’ in conducting the tests designed. In that scenario, the strategy management group tests conditions starting with those in which the group has lowest confidence and moving up the chain in reverse order. Typically, outside consultants and experts are brought in at this stage. This approach offers depth, and is much more scientific than the standard approach of strategic planning because the latter is not based on the genuine inquiry and hypothesis testing that defines the scientific method.

### **Step 7: Make the Choice**

Because this approach to strategy is based on a scientific method, the choices it throws up make decision-making less difficult than in other approaches that can be quite acrimonious, because it is largely evidence based. At this stage, what is required are the political will and the leadership to drive the strategy, generate national support and buy-in, and effective execution.

### **Strategy Execution**

One of the biggest barriers to crossing the bridge of success and transformation is the implementation or execution of strategic plans. Success is not guaranteed by having a well-documented and published strategy. To move forward and gain traction on the wheel of transformation, effective strategy execution is paramount. The challenge of making execution happen cannot be underestimated. Simply put, at a very human level, strategy execution is about ‘making strategy happen’. This is far harder than crafting a strategy. Crafting strategy is creative. It pulls at the heartstrings by allowing collective visualisation of a better future and motivating through the creation of active steps that can help transform that vision into a reality for a nation or an organisation.

**Success is not guaranteed by having a well-documented and published strategy.**

Execution, on the other hand, is about rolling up the sleeves and building those steps one by one. It is about sweat from the brows. Crafting strategy is like architecture, while execution is much like construction. Both roles are equally important and must be integrated seamlessly to work. Else, the well-crafted strategy is nothing but a beautiful dream. To make the vision a reality, the builders must fully understand what they are to build; they have to internalise the vision, and the architects who crafted the strategy must be on hand to programme, manage and support the builders, helping to make adjustments as barriers are discovered in the building phase.

Driving effective execution is a process well accepted by many governments when they develop and publish their strategies. Nigeria's Vision 2020 blueprint states that: 'Deepening the ability of the government at both state and federal levels to consistently translate strategic intent into actions and results on a permanent basis, is recognised as the single most important factor in making NV2020 a reality'. As I write, we are in 2018, and we are nowhere close to achieving the goals of Vision 2020. Indeed, it was essentially discarded as soon as President Yar'Adua died in 2010 and Goodluck Jonathan became President and came up with his Transformation Agenda, just as former military dictator General Sani Abacha's Vision 2010 died with him!

Even where the strategy is maintained, there are many factors that contribute to the failure of the execution process. If these factors are not dealt with, recognising the importance of execution will not in itself create the needed transformation. It is important to understand why most countries and organisations fail at execution before we can discuss some of the things to put in place to support effective implementation.

National level strategies, especially in the context of African countries, fail primarily because of factors such as:

- Short-termism (a particularly Nigerian trait in governance);
- Absence of buy-in, reflected in the inability of governments to sell the vision and the strategy persuasively to the populace;
- Absence of visible leadership to drive implementation;
- Inconsistent understanding of the various elements of a strategy and how they interconnect with and depend on each other;
- Absence of a review mechanism;
- Weak alignment and coordination of different arms of the government
- Poor ongoing strategy management (execution and implementation) and monitoring;
- Weak alignment of national or sub-national budgets to strategy;
- Accountability deficits;
- Indiscipline (countries with a culture of discipline embedded in their societal fabric find it easier to execute strategy – economic, military and diplomatic among others; examples include China, Rwanda, South Korea, and Switzerland)
- Low Standards (a culture of mediocrity)

If there is a visible leadership and governance process in place that requires the leaders of selected key stakeholder organisations to participate as part of a 'Strategy Execution and Implementation Committee' responsible for ongoing strategy review (at least on a quarterly basis), this would ensure ongoing management of the implementation; and by default, they are more likely to ensure that their own organisation is not the one holding the execution process back. It also helps if the framework used to develop and capture the strategy is simple and self-explanatory – some well-tested tools for this include road maps, change agendas and strategy maps.

To specifically address the alignment issue, some governments such as the Abu Dhabi national government have an executive council in charge of working with the various arms of government to ensure that the strategies of the various elements are aligned to the national vision and strategy.

The Balanced Scorecard, a strategy performance management system introduced by Robert Kaplan and David Norton in 1992, is a superior framework for strategy execution. The framework is based on five principles:

- Mobilise change through executive leadership
- Translate strategy into operational terms
- Align the organisation to the strategy
- Motivate to make strategy everyone's job
- Govern to make strategy a continual process

The use of the Kaplan/Norton Balanced Scorecard concept – where entity key goals and targets for the strategic and operational outcomes that it must individually deliver in a given time frame are defined for each government – has proven to be a real help to many governments and government entities, including Botswana which adopted the Balanced Scorecard (BSC) strategy management approach and has started to see significant and measurable results.

Alignment is particularly important for implementing national level strategy because most initiatives that would

drive transformation typically cut across many sectors. Let us assume, for instance, that a key aspect of the strategic destination is to have a 'safe and secured environment in which all citizens and residents feel protected', but the country is facing fundamental challenges of terrorism and a high crime rate. If the only organisation involved in crafting the strategy and implementing it was the security and defence organisations, it is very likely that the strategy would be focused on their role and not fully consider what the other organisations and stakeholders can do to help address the root causes of the issues.

The holistic approach would be to think through the root causes and understand all points of influence and then form a relevant strategy working group that pulls the right people from the relevant sectors to focus on the right details. For this particular goal, apart from the security and defence organisations, the government entities responsible for communication and information, immigration and border control should be involved as well as the justice department, religious communities, women organisations, the education sector, local governments and the health sector.

**Execution, on the other hand, is about rolling up the sleeves and building those steps one by one. It is about sweat from the brows.**

Effective alignment to strategy by all public and private stakeholders is a real game changer. It creates a differential advantage between those nations that succeed at execution and those that fail. Imagine the collective energy that would propel a nation forward and the level of transformation that would happen if all arms of a nation's government individually and collectively focus on the right details at the right time.

### **Strategy Execution Management Framework**

Since the early 1990s, many management gurus have dedicated much research effort to understand why each of the different factors discussed above occur. An execution management framework is about creating an approach for managing the implementation of strategy in an ongoing basis, and thus creating a process to keep the ball rolling. A good strategy execution management approach enables constant challenge to ensure focus on implementation – Are we on the right path? What else can we be doing? What are the potential threats? How can we be prepared if the threats become a reality?

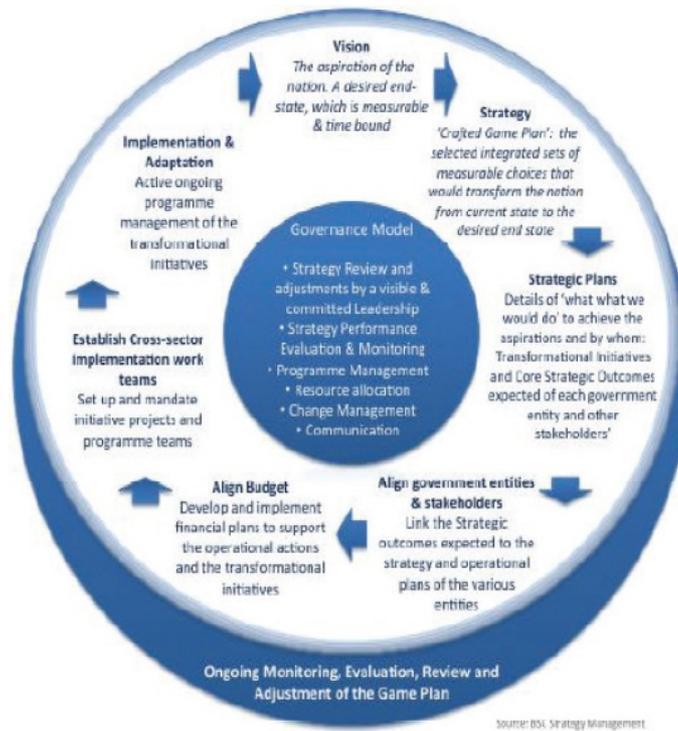
A transformation strategy execution framework needs to tackle each of the core barriers discussed above that are relevant to a nation. The governance model described earlier should be at the core of any good strategy execution framework. According to Kaplan and Norton, there are four main processes in managing strategy in the context of the Balanced Scorecard:

*Translating the vision.* Clarifying the vision and gaining consensus.

*Communicating and linking.* Communicating and educating, setting goals, and tying rewards to performance measures.

*Business planning.* Setting targets, aligning strategic initiatives, allocating resources, establishing milestones.

*Feedback and learning.* Below is an illustration of a more detailed strategy execution and management framework with its constituent elements:



This is my vision of how Nigeria should be governed. There is no question in my mind that, if we take this approach to governance and if the approach is consistently maintained over, say, a period of eight straight years, our country will make quantum leap to progress. It isn't rocket science. It's possible!

---

***Without a clear destination, however, and a plan of action to get from here to there, we can't make progress.***

---

# Vision 5

---

## INSTITUTIONS MATTER

### Why Institutions Matter

TO UNDERSTAND THE STATE OF DEVELOPMENT OF ANY COUNTRY, ALL WE NEED TO DO IS TO LOOK AT ITS INSTITUTIONS – WHETHER they exist in fact and, if so, how robust they are. Institutions are the foundations of modern statehood, the conceptual basis of the modern state. I use the term “institutions” here not in the sense of organisations such as, for example, educational institutions, but rather as structures of social order that organise and govern our individual behavior in a society as well as the conduct of even the political leadership of such communities. They include the judiciary, the military, the security and intelligence services, the Independent National Electoral Commission (INEC), as well as the central bank and other institutions that govern the conduct of economic activity.

Against this conceptual backdrop, institutions matter for four main reasons.

First, institutions matter because their basic function is to guarantee the security and stability of the state. In other words they guarantee internal order and cohesion and even protection from external threats such as military aggression or other threats to the integrity of any state. In today’s era of globalisation, this raises some challenges when the perceived threat is of a non-military nature. Immigration, asylum and refugees, while governed by international and national laws, are examples of what may be perceived from a domestic standpoint as non-traditional threats. Internet governance and cyber security is another such subject.

Second, institutions matter because they guarantee, in the eternal words of the French political philosopher Baron de Montesquieu, “a government of laws and not of men”. They do so, or ought to do so, by checking despotism or the untrammled power of the sovereign or the political head of government, and by ensuring that the rule of law prevails in a society. The modern state is made up, in reality, of a series of institutions beginning with the various arms of government – the executive, the legislature and the judiciary. Institutions then, are the difference between a government of laws and, say the famous quote ascribed to another Frenchman, Louis XIV, the absolute monarch of France between 1643 and 175 who quipped: “l’etat’estmoi” (“I am the state”).

**Institutions are the foundations of modern statehood, the conceptual basis of the modern state**

Third, institutions are essential for sustainable economic growth, economic development, and economic transformation. Both economic theory and practice and, as we will see shortly, world history, show us that institutions are essential for economic progress. Virtually every nation today operates a capitalist economy in some form or the other. Under the classic theory of capitalism developed by the political economist and moral philosopher Adam Smith in his famous book *The Wealth of Nations*, property rights and free markets create the wealth of nations. This process can’t happen effectively if there are no institutions that protect these rights and regulate the market effectively.

The point here is that Nigeria and many other developing nations in Africa are poor, unable as yet to obtain the benefits of broad-based, inclusive economic growth from capitalist economics because they are yet to understand what makes capitalists economies successful. Creating and strengthening the institutions that underpin efficient markets is a necessary step to development. Where such institutions exist in Nigeria, they are often weak and immature.

The three essential ingredients for successful capitalist economies are: property rights, innovation, and capital. None of these are optimally available in Nigeria. Property rights in particular are weak. The Land Use Act vests ownership of land to the state. Citizens can only “occupy” land with a Certificate of Occupancy. Innovation is not driving our economy because the institutional framework for intellectual property is unable to create real incentives

to spur innovation. Capital is not generated at an adequate scale owing to institutional weaknesses in the efficient and effective taxation of citizens and the absence of institutional guarantees of a social contract, such as social security.

Fourth, institutions matter because they protect democracy. How real, for example, is a “democracy” in which the impartiality or effectiveness of the electoral umpire is questionable? All the processes of democracy, from voter registration to voting logistics to the integrity of the vote count require strong institutions such as electoral commissions and the judiciary. The case of the 2017 presidential elections in Kenya, where the country’s Supreme Court took the unprecedented step of annulling the results of an election in which an incumbent president was declared the winner, is instructive. President Kenyatta, presumably miffed at the seeming affront of the judicial decision to his powers and his office, reportedly described the decision as a “problem” that needed to be solved.

### **The Evolution of Institutions: Lessons from English History**

The institutions of the modern state are a relatively recent phenomenon. They go back only 300-400 years. Before this period, the divine right of kings held sway. This was so in the Western world, and in Africa before most African countries were colonised by western powers. As Daron Acemoglu and James Robinson explain in their seminal book *Why Nations Fail: The Origins of Power, Prosperity and Poverty*, the secret of the present day wealth of the western powers lies in the evolution of inclusive institutions that, over time, checked the absolutist powers of European monarchs, created a more level playing field, and led to the Industrial Revolution. Acemoglu and Robinson also demonstrated how the European nations that underwent the process first, in particular England, became established global economic powers while European countries in which the process was delayed, such as Spain, did not attain the same economic heights as England.

But as global history also teaches us, strong economic institutions can only gain ground if they are preceded by strong political institutions. This makes sense. The strengthening of economic institutions is first of all a political act which requires political will, for by doing so the political authority decreases the scope for autocratic interventions in the economic realm and increases the likelihood of a level playing field for economic actors, more rational economic policy, and ultimately increased national wealth.

English history from the 13th to the 17th century was marked by intense political conflict between the monarchy and its subjects, and between different factions of the society fighting for power and advantage. The first important development was when in 1215 the barons – the layer of aristocracy beneath the king – pressured King John into signing the Magna Carta (Great Charter). The charter limited the king’s authority to impose taxes by requiring him to consult with the barons before he could do so, and set up a council of the barons to ensure compliance. King John eventually got the Pope to annul the Magna Carta, but its influence remained. This was the first limitation on the king’s absolute authority.

The second constraint was the establishment of the first elected parliament in England in 1265. This development empowered a broad class of people. Subsequently, conflict between citizens and the monarchy’s absolute power continued, marked most significantly by the Peasant Revolt of 1381. As these conflicts continued, the monarchy sought to cling to its despotic power. But social change was redistributing the balance of power across the society. In 1623 Parliament passed the Statute of Monopolies which curtailed King James I’s power to create domestic monopolies in favour of his cronies

In 1642, King Charles and Parliament fought a civil war. Those whom the Crown had favored with lucrative monopolies supported the monarchy. The parliamentarians, under the leadership of Oliver Cromwell, defeated the monarchy and tried and executed Charles in 1649. They abolished the monarchy, although it was restored in 1660. Charles’ brother James II ascended the throne and attempted to restore absolutist rule. This led to another civil war and the Glorious Revolution in which Parliament not only defeated the Crown, but brought William of Orange from Holland to lead their forces. William defeated King James’ army and became the new king. A new constitution and the Declaration of Rights followed in 1689. From 1688 authority in England effectively shifted from the monarchy to the parliament.

Parliament reformed taxation in a manner that encouraged manufacturing, and also began to reform financial markets. The Bank of England, the central bank, was created in 1694. This development stimulated a financial revolution that made loans more easily available to anyone who provide the required collateral. An economic and the Industrial Revolution followed.

### **The Development and Retrogression of Nigerian Institutions**

After the era of military rule from 1984 to 1999, the restoration of democracy in 1999 brought with it an effort to establish or strengthen institutions. These institutions were seen as essential for a modern economy and the rule of law. This focus on establishing or strengthening institutions took place largely under the presidency of Olusegun Obasanjo from 1999 to 2000. His government established the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices Commission (ICPC), the Pension Commission, and the Bureau of Public

Enterprises (BPE) which handles the privatisation and commercialisation of state-owned companies. These institutions were all created by legislation adopted by the National Assembly, which gave them a solid basis in public policy.

Although the track record of these institutions has been mixed, their existence has established an institutional foundation on which our country can build, with better governance, to make them more effective. The Pension Commission has been effective in discharging its mandate of regulating funds and creating a reformed pension industry. Despite much loud controversy, the two anti-corruption agencies – the EFCC and the ICPC – have not made the impact in our society that was hoped for when they were created. An absence of political will and the use of these bodies, especially the EFCC, as instruments of vendetta against political opponents by successive governments has weekend their effectiveness and legitimacy.

Today in Nigeria all national institutions have been progressively weakened because political leaders have increasingly deployed them for partisan political ends. In other words, these institutions are not independent as they should be. They also are frequently underfunded.

The Central Bank of Nigeria and the judiciary are two of our most important national institutions. They both happen to be in bad shape today. Although the CBN has existed since 1958, it was revamped and strengthened with a new law, the CBN Act of 2007, that made the Bank a powerful, independent institution as required by modern and ambitious economic management. The new law explicitly stated that the Bank would be independent in the performance of its functions. My understanding of this provision is that the CBN should be independent of the government's political interests (say, in low interest rates when economic conditions require a rational response of higher interest rates to fight inflation), or the vested interests of private-sector players and the financial markets.

**The three essential ingredients for successful capitalist economies are: property rights, innovation, and capital. None of these are optimally available in Nigeria.**

But in the years since 2014 the Bank has increasingly become politicised. After falling oil prices put downward pressure on the exchange rate value of the naira, the Bank appeared to take its cues from political considerations. President Muhammad Buhari aired his (populist, but necessarily economically rational) opinions on forex policy in a manner that suggested that he expected CBN policy to tow his line. The Bank did. But this led to loss of confidence in Nigeria's economy by foreign investors, and a sharp decline in foreign direct investment into our country. Foreign exchange scarcity followed the central bank's attempts to maintain an artificial value for the naira as surely as night follows day, when market fundamentals dictated a different course of action.

The Bank's politically-induced policy stance directly fostered massive corruption in the forex market. This was strange to see in a government that came to power by criticising the corruption that was rife in the previous one. Anecdotal evidence pointed to persons close to the government in power at the time as the chief beneficiaries of this scam of obtaining dollars at subsidised rates and selling them on the parallel market for handsome profits. Double standards?

Manufacturers who could not get an adequate supply of dollars laid off workers and reduced production. Productivity declined sharply. The worst recession in a quarter-century followed. This was a very real example of how nations are impoverished when its institutions are weak – or, as in this case, become weakened.

The judiciary in Nigeria has also been severely weakened by the corrosive influence of partisan politics and by the self-inflicted blows of widespread corruption in the institution. Judges play a key role in society. They are not and should not be politicians. The Nigerian judiciary once was an elite club of men and women of unmistakable distinction. Today, this is not the perception we have of our judges, broadly speaking.

Judicial appointments require the character attributes of independence and impartiality. A judge should be intellectually competent. He should have an understanding of a judge's role in the broad sweep of history. The Nigerian judiciary actually has the scope to be the most independent institution in our country. Appointments of judges go through a process largely controlled from within the legal profession itself. The appointive role of the president or the governor of a state is at the very last stage. These political leaders can only appoint persons recommended by the national or state judicial councils as judges.

But the Nigerian judiciary dealt itself a body blow when corruption began to fester among the men and women of the wig and the robe. The widespread perception in our country today is that "justice" can be bought and sold. This led to a controversial midnight rate on the residences of Supreme Court judges by state security agents that brought the Bench to the lowest repute it had ever been held in Nigeria.

Having sunk to its nadir, our once-outstanding judiciary has nowhere to go but up. The appointment of Justice Walter Onnoghen, a respected Supreme Court Justice as the Chief Justice of Nigeria raised hopes of a judicial institutional rebound. But even that appointment almost did not happen, precisely because it became the subject of

sordid politics when it was delayed beyond decency in what was interpreted as a transparent attempt to side-step Onnoghen because his ethnic origins were deemed inconvenient for certain vested interests.

### **A Vision of Nigeria's Institutions**

My vision of Nigeria's institutions is one in which institutional appointments are done on the basis of professional competence and character, and the line between politics and professional stewardship of these institutions is clear.

First, members of political parties may be non-executive members of boards of directors of public institutions (with the strong exception of sensitive institutions such as the CBN) but must never be appointed the chief executives of public institutions. The outcome of such politicised appointments, which has become increasingly prevalent, is that the institution is steered to achieve partisan political ends and loses the independence that is essential for its performance.

Second, the principles of corporate governance must guide the governance and operations of public corporations. The extreme politicisation of appointments into public institutions in Nigeria has led directly to bad governance, as these institutions are unable to achieve their mandates.

**But as global history also teaches us, strong economic institutions can only gain ground if they are preceded by strong political institutions.**

The Nigerian National Petroleum Corporation (NNPC) has long been a prime example of how the absence of corporate governance leads to institutional decay and ineffectiveness. This is why the NNPC must be partially privatised (with well-thought provisions to protect the interests of host communities in the oil-producing states of its operations) if it is ever to run as an efficient corporation.

Finally, the privatisation and commercialisation of relevant public corporations must be done in a transparent and professional process. This will avoid cronyism and increase confidence in public sector institutional management in Nigeria.

Institutions matter. We ignore their importance at our national peril.

---

***Today in Nigeria all national institutions have been progressively weakened because political leaders have increasingly deployed them for partisan political ends. In other words, these institutions are not independent as they should be. They also are frequently underfunded.***

---

# Vision 6

---

## HOW TO (REALLY) FIGHT CORRUPTION

THERE IS NO DEBATE ABOUT WHY OR HOW CORRUPTION HAS STALLED NIGERIA'S DEVELOPMENT. BUT, THE MORE WE SCREAM about corruption, the worse it appears to have got in the past five decades. Any thinking person should be curious, very curious indeed, about this reality. For it means, simply, that making a song and dance about fighting corruption is not the same thing as fighting corruption effectively.

We as Nigerians, and our leaders, must get real about combating corruption. This means that we must first go beyond lip service to actually fighting corruption. Second, we must quit making corruption a political football that is tossed around as blame game between political parties or successor and predecessor governments and confront corruption as a crime and as a common enemy of Nigeria's development.

Corruption takes place in multidimensional ways. Its root causes are (a) human nature (b) a collapse of value systems that has caused the phenomenon to move from the periphery to becoming a way of life, and (c) a failure of the rule of law. Fighting corruption effectively therefore requires a multi-pronged approach beyond one centered on the work of the Economic and Financial Crimes Commission (EFCC). That is a narrow – and, so far, relatively ineffectual – approach to fighting corruption.

I believe that corruption in Nigeria can only be confronted and tamed through a combination of (a) value-system education and re-orientation (b) moral and ethical leadership by example (c) plugging systemic loopholes; (d) Accountability; and (e) reform of public service pay and the institution of social safety nets.

### **Values-system education and re-orientation**

We must reset the value systems of Nigerian society from the materialistic get-rich quick culture that has taken root over the past 40 years back to one in which hard work, character and delayed gratification are restored.

This requires a combination of leadership at the political level and inculcating such values in our educational system. Who does a national or state political leadership honour and validate by association? Who gets national honours and/or awards? It matters who political leaders validate.

If, say a president is known to prefer the company of men and who are materially wealthy (which is not a bad thing in and of itself) but whose wealth is of doubtful provenance as opposed to a verifiable track record of hard work, this sends a subtle message across the spectrum of society that it doesn't matter how you get rich. Just make money, however you do it, and you can become a Friend of the President (FOP) because you are rich. Corruption is thus validated. If a political system honours and rewards outstanding teachers, professors, inventors and literary grants consistently, a message goes forth that ideas matter. It becomes 'cool' to channel energy in such endeavours because they are respected and rewarded.

We must reform our educational system to prioritise the importance of values by inculcating the ethics of what is right and wrong and the consequences of choices between such distinctions for the individual and society. Ethics should become a compulsory subject in the secondary school curriculum in Nigeria. Civic education is taught in most such schools. That subject, however, deals far more with the structure of governance than it does with the values that should guide the organisation of our country as a community or society.

### **Moral and Ethical Leadership**

To fight corruption successfully, a national or sub-national political leader must set a personal example of moral and ethical leadership.

Leadership that either avoids discussing corruption because his or her personal lifestyle in public office or those of his or her associates in government is above their incomes, or talks the talk against corruption but does not walk the walk, will not inspire a national resolve to combat the scourge of corruption.

This does not mean that a leader should become hypocritical in a vain effort to 'show' that he/she is not corrupt. Leadership office requires certain protocols. We learnt a traumatic national lesson from the assassination of Gen.

Murtala Mohammed in the attempted coup of 1976, because his security was inadequate.

The important ethical and moral standard a leader should set is to avoid engaging in corrupt self-enrichment. Given Nigeria's history of political leadership and even the expectations of an increasingly ethically warped society, this is a challenge that can only be dealt with by a leader who has a resolute character and is not afraid to be different. This is why track record and antecedents should be important factors that influence who we elect into public office.

Thus, the setting of standards of ethics is one of the most important roles of leadership in a society such as ours, with weak institutions and widespread poverty. Part of the leader's role is to teach citizens that poverty cannot and should not justify corruption but rather should be tackled in a structural and more sustained fashion. Corruption only deepens the poverty of poor nations. Nigeria's history is proof positive of this reality. 'Spreading wealth' from the proceeds of corruption has not increased our GDP per capita from the abysmal figure of an average of \$1646 since Nigeria's independence in 1960!

### **Plugging Systemic loopholes**

Taking a forward-looking approach to fighting corruption matters. Plugging the loopholes for official corruption in Nigeria will be one of the most important ways to do so. The two most important avenues of official corruption in Nigeria are 'budget-padding and contract inflation. Given the perverse incentives that are already built into public sector governance in Nigeria for inserting unnecessary, inflated or repetitive line items in federal or state budgets, I recommend that the President and State Governors subject budgets to a professional audit by independent accounting firms before submission to national or state legislatures.

Even if the political will existed and this were to happen, how does an executive branch of government deal with legislators who go beyond reviewing and approving budgets to inserting expenditure line items in the budget as has frequently happened in the National Assembly in respect of the annual budgets of the federal governments? This practice is very arguably unconstitutional. It contradicts the principle of the separation of powers in a constitutional democracy because budget preparation is a constitutional function of the executive branch, while an appropriation (legal authority to spend) is a legislative one.

A parliament may reduce a budget but may not increase it beyond what the executive branch has submitted for approval. This perversion does not happen in any serious democracy. There is only one solution I recommend for this anomaly that is itself a form of corruption. The Federal Government of Nigeria should ask the Supreme Court of Nigeria to rule on whether or not it is lawful and constitutionally appropriate for the National assembly to increase the federal budget by inserting line items by and for itself. As with most aspects of Nigeria's failed political leadership, however, the political will on the part of the FGN to do so clearly is absent. The stupendous corruption of and in Nigeria's budget process is a core aspect of bad government.

The massive inflation of government contracts can be eliminated in a number of ways. One is to improve the implementation of the Public Procurement Act by increasing transparency around the market prices of items that form part of, say, construction contracts. The introduction of e-governance processes would help. To illustrate, an updated electronic record of the current range of relevant market prices should be maintained by government ministries, departments and Ministries, Departments and Agencies (MDAs). These prices should serve as a benchmark, against which bids for contracts by firms should be evaluated, with appropriate allowance made for 'mark-ups' for profit up to but not exceeding 20 percent.

**To fight corruption successfully, a national or sub-national political leader must set a personal example of moral and ethical leadership.**

Beyond this approach, risk and project management must be introduced for major contracts in Nigeria. This will ensure that contracts are executed to required standards of performance, on time and within budget. I recommend the engagement of professional project management firms to supervise the execution of all major contract awards in federal and state government. If properly done, this will reduce corruption in the Nigerian public sector dramatically. The savings that will be accrued from this approach will dwarf the costs of engaging such firms.

### **Accountability**

Accountability for proven acts of corruption is easier said than done. The institutions to hold corrupt persons to account in our country are inadequate and ineffective. There is a singular focus on the EFCC but not enough on the police and the judiciary. The principal draw back to the EFCC's effectiveness is that the commission is not truly independent. The EFCC has been politicised by successive administrations, which tend to focus the commission's investigations almost exclusively against opposition politicians. This trend has worsened in recent years and prevents

real progress in the fight against corruption. Additionally, few cases of corruption are never truly finalised and resolved in Nigeria. This points to a lack of political will at the highest leadership levels.

Accountability for corruption will not deter corruption if the process lacks legitimacy. Legitimacy can only come from independent institutions and processes. As transparency, impartiality and effectiveness are not evident in the fight against corruption in our country today, the absence of these requirements led to criticism of the Muhammadu Buhari administration, for example, of fighting corruption ‘with insecticides’ against opposition politicians and with ‘deodorants’ when it comes to allegations against officials of its own government and members of the ruling party.

This absence of political will to punish loyalists who are perpetrators of corruption is a betrayal of public trust. Clearly, both the Buhari and Goodluck Jonathan administrations have been ineffective in establishing accountability for corruption because, as with everything else in Nigeria, partisan politics and vested interests come first. In South Africa and South Korea, we have seen sitting presidents indicted and called to account for allegations against corruption. This is possible because the relevant institutions are independent.

Addressing these failures requires a far more preventive than reactive approach. It also calls for strengthening the relevant institutions. To begin with, the EFCC Act of 2003 needs to be amended in a number of ways. Why must the chairman of the EFCC be a member of the Nigerian Police Force? This is a limiting provision. The head of the Commission should be someone with relevant experience. The individual could be a serving or retired judge, a lawyer, or a member of any of the security services.

Second, the EFCC and the Independent Corrupt Practices Commission (ICPC) need to be merged into one institution to avoid duplicating and overlapping mandates, as well as confusing the minds of Nigerian citizens about the nature and scope of the anti-corruption architecture. Third, control and supervision of the EFCC by the President and the Presidency must be terminated. The commission cannot truly be independent and trusted by Nigerians until this change is made. Nigeria needs to have the machinery elevated to something akin to the Public Protector in South Africa, where a sitting president, Jacob Zuma, was indicted with approximately 800 counts of corruption charges he was destined to answer upon leaving office! Such a scenario would be impossible to imagine in today’s Nigeria. If that is the case, as it surely is, accountability for corruption is fate that can only befall lesser mortals in our country.

**Accountability for corruption will not deter corruption if the process lacks legitimacy.**

### **Public Service Remuneration and Safety Nets**

Low remuneration and a fear of penury in retirement is a major driver of corruption in Nigeria’s public sector. This factor must be addressed if corruption is to be fought effectively. I recommend far more adequate pay for members of the Nigerian Police Force and the Civil Service if we are to remove the incentives to corruption. But this must be accompanied by wider public service reform that streamlines our excessively bloated public sector if the approach is to be sustainable. In Singapore, for example, the civil service attracts the best and the brightest and pays well. In Nigeria, with the exception of a few public sector institutions such as the Central Bank of Nigeria, which was traditionally a repository of human capital, the private sector is far more attractive to labour than the public sector.

### **The Vision, Overall**

We need a paradigm shift in combating corruption in Nigeria. The approach must be one that completely re-evaluates the problem and its causes by understanding that, first, corruption is in the human nature of sin and imperfection and that it can be minimised to the extent of becoming the exception and not the norm if we enthrone accountability and combat poverty in our country at a far more fundamental level than we have done.

Corruption cannot be eradicated completely but our systems must be truly reformed and empowered to hold to account anyone who chooses to indulge in acts of corruption. We must move away from fighting the symptom of corruption while ignoring the real causes – the absence of a national worldview with a value system, an absence of political will to be impartial and the failure to wage a decisive war against poverty.

---

***We as Nigerians, and our leaders, must get real about combating corruption. This means that we must first go beyond lip service to actually fighting corruption. Second, we must quit making corruption a political football that is tossed around as blame game between political parties or successor and predecessor governments and confront corruption as a crime and as a common enemy of Nigeria’s development.***

---



## **PART TWO**

---

**We are held captive by our historical past, yet we disdain history so much, or are so afraid of its truths, that it was removed from the national curriculum.**

**Only you, the youth of Nigeria, can change our country's trajectory. You have the numbers, but can you rise to the challenge? The nation waits in bated breath. ...only your vote can bring about a competent government that can wage a decisive war against poverty and unemployment.**

# Vision 7

---

## HISTORY: THE GREAT NATION-BUILDER

WE ARE HELD CAPTIVE BY OUR HISTORICAL PAST, YET WE DISDAIN HISTORY SO MUCH, OR ARE SO AFRAID OF ITS TRUTHS, THAT IT was removed from the national curriculum. We need to confront our history and use it as a basis to create a new tomorrow for our country.

History is important as a keeping of record. But its most important function for a country is to let us know where we are coming from. Drawing on the lessons learned in that journey, we are guided as to where we should be going.

For this reason, the progress of all great nations has been driven largely by a sense of history. China has risen to global dominance in the past 40 years because the country is keenly aware of its historical glory as the ancient Middle Kingdom at a time in history when the western countries were relatively backward. The Chinese were later defeated by Britain in the Opium Wars of the 19th century and had to cede Hong Kong to the British. Britain had a two-century reign as an imperial global power. For the Chinese, the humiliation of this era of their history rankled. They were determined to reclaim their place in the world. Today, China rivals the United States in global dominance and has long overtaken Britain.

Japan, also an imperial power at the time, attacked Pearl Harbor, Hawaii in the United States on December 7, 1941. This event dragged the US into World War II. All Americans know President Franklin Roosevelt's reaction to the attack with the famous words, 'This day will live in infamy'. The Pearl Harbor attack united America as a nation like never before. Japan, its imperial power was decisively defeated when the Americans dropped atomic bombs on Hiroshima and Nagasaki, became a pacifist country after World War II. Memorial Day is a major public holiday in America, celebrated in memory of the country's fallen soldiers. History as nation-building.

More recently, history came full circle when Barack Obama became the first black President of the US. That has not turned America into a 'post-racial' society, but it was a moment that symbolised the country's possibilities as a nation.

History can be uncomfortable. Relations between Japan on the one hand and China and South Korea, on the other, are tense because of history. The Japanese imperial army invaded China twice in the first half of the 20th century, massacred 600,000 Chinese and raped another 20,000 Chinese women in the famous Rape of Nanking. During Japan's harsh colonial rule of Korea between 1910 and 1945, the Japanese imperial army's extensive use of Korean 'comfort women' as sex slaves has left relations between Japan and South Korea deeply ambivalent despite a formal apology by Japan decades afterwards. Inside Japan itself, the country finds it difficult to confront its history and the war crimes it committed.

Then there is the mother of all uncomfortable histories, the Holocaust of six million Jews by Nazi Germany during World War II.

Back home in Nigeria, we are yet to come to terms with our history. The consequence of this is that Nigerians are hood-winked with narrow and incomplete interpretations of history in the service of vested interest that keeps us divided as a people, prevents us from building a united nation, and keeps incompetent politicians in power.

The four most important points in our national history in this context are (a) the Amalgamation of the Northern and Southern Protectorates in 1914, (b) the 1951 regional elections in Ibadan (in the Western region), (c) the January 1966 coup d'état, and (d) the Nigerian civil war of 1967-1970. These four events and their consequences have held us captive and prevented us from moving forward because they have been interpreted in ways that have weakened national unity and influenced the selection of subsequent leaders in our country at the national level.

The nation-building responses to these events, from my own perspective, should be as follows: Yes, the Amalgamation was done for the economic interests of the British colonial masters, but this does not mean that Nigeria cannot successfully become a nation if we chose to keep going forward.

The January 1966 coup was a tragic and unconstitutional attempt to subvert democracy by some military officers. If I were a northern Muslim, I would feel aggrieved by the killing of the Sardauna of Sokoto, Sir Ahmadu Bello and the Prime Minister, Tafawa Balewa. But we should know and remember that this was not an 'Igbo coup'. It was an

act by individual military officers that included those of Igbo and non-Igbo origin. Igbos, as a group, were not involved in planning what was an exclusively military affair, and therefore should not as a group bear responsibility for the actions of individuals acting in their individual capacities.

Besides, the coup was effectively frustrated by military officers of Igbo origin – General Aguiyi Ironsi and Col. Emeka Odumegwu Ojukwu. The 1966 counter-coup was equally unfortunate, and the killing of Ironsi was also a grievous act. More importantly, the pogroms of Igbos in the North were horrendous crimes against humanity, a disproportionate response to the January coup. Igbos, especially affected families, are understandably saddened by the loss of their loved ones in such circumstances. We all need to confront these historical facts with a sense of humility and collective regret rather than chauvinism, and we need to heal and move on.

The politician Paul Unongo, said in a media interview that the act of cross-carpeting instigated by Obafemi Awolowo's Action Group that robbed Dr. Nnamdi Azikiwe, an Igbo, and his National Council of Nigerians and the Cameroons (NCNC) party of the latter's victory in the parliamentary election in Ibadan in 1951 to become the Premier of the Western Region, was what introduced tribalism into Nigerian politics.

Certainly, this political crisis aggravated tribal consciousness. But did it create it? I think the British had already structured and managed Nigeria in a manner that made ethnic and religious differences very pronounced, but perhaps not yet enough to stop the cross-ethnic appeal of the savvy and nationalistic Zik or the popular Fulani man Umaru Altine, who won elections twice as the Mayor of Enugu in the 1950s. It is true, that some British colonial contraptions that cobbled some countries together later failed. Examples include Sudan. But some have also survived. These include Nigeria. But 'survival' is not good enough. We must build and grow as a nation, and it requires political leadership that can turn history into a nation-building tool because such a leadership will not have any 'hidden agenda' – the bane of politics in Nigeria.

And then there was the civil war. There are conflicting interpretations of what led to the war, but it is clear that a combination of the pogroms of the Igbos in the north and the failure of the Aburi Accord were two main reasons. But the war happened, millions perished. Fifty years later, Biafran secessionist groups gained ascendance. This is a nation-building failure. Because that and other agitations throughout our land are simply, at their most basic, a cry for justice.

There can be no peace without justice. Our response should be a constitutional restructuring and a greater focus on equity and inclusive governance that both address the genuine concerns of groups that feel marginalised.

We must confront our history, but utilise it as a tool to build our future and not as a divisive wedge. History should and must be taught in schools, else we are building a country based on a lack of knowledge that is important for nation-building. The most important mindset, however, is to approach history as a series of lessons learnt, and to believe that our future can be bigger and better than yesterday.

These histories happened, but they must not become destiny. They cannot be. My personal life and experience bears this out to me. My first job was given to me by a man from Akwa Ibom State, Ray Ekpu of *Newswatch* in the late 1980s. I went abroad for post-graduate studies in a prestigious university in the US with a scholarship that a great Yoruba man and former Foreign Minister, Prof. Bolaji Akinyemi, personally intervened to help me secure. I was appointed deputy governor of the Nigerian central bank in 2009 on the recommendation of Sanusi Lamido Sanusi, now the Emir of Kano. The last time I checked, he is not an Igbo man.

We should be careful not to let the mistakes of our history blind us to the possibility that we can build a nation more united and prosperous than we have today. What it takes is leadership and a determined citizenry. Especially leadership that truly understands why history matters, but not in the ways we often misguidedly think.

---

***...survival is not good enough, we must build and grow as a nation, it requires political leadership that can turn history into a nation-building tool.***

---

# Vision 8

---

## 90 MILLION WOMEN: MISSING RIBS

WOMEN MAKE UP HALF OF THE WORLD'S POPULATION AND, AT 49 PER CENT, NEARLY HALF OF NIGERIA'S. WOMEN MATTER. WE are born by them, raised by them and are loved by (and love) them. When we build up women we build our nation and our communities.

To unlock Nigeria's growth potential, the voices of women should be heard and considered at the highest level of decision-making and in all spheres of society. Yet, nothing that mattered so much has been as unrequited as women in Nigeria have been.

As is the case across the world in both developed and developing countries, women remain unequal with men. The problem is global, with roots in history, culture and religion. How unequal women are in any country is only a matter of degree. In the words of Nelson Mandela:

It is important that government structures understand that true freedom and prosperity cannot be achieved unless...we see in visible and practical terms that the condition of women in our country has radically changed for the better, and that they have been empowered in all spheres of life as equal.

There are five major areas in which women in Nigeria have lived with inequality: access to education for young girls, access to finance, women's marital protection rights, violence against women, and the poor ratios of women representation in political and corporate leadership in Nigeria.

It's not that Nigerian governments have done absolutely nothing to correct the situation. But they have not, in truth, done enough as a matter of law and, even more important, focused policy. The result is that there is still a lot of tokenism towards women and they remain highly unequal in Nigerian society. It's time to mainstream gender equality and make it a way of life in our country.

**To unlock Nigeria's growth potential, the voices of women should be heard and considered at the highest levels of decision-making and in all spheres of society.**

Nigerian governments have established the National Center for Women Development in Abuja and similar centers in our 36 states, adopted laws protecting the rights of widows in several states such as Enugu (2001), Oyo (2002), Ekiti (2002), Anambra (2004) and Edo (2004). Anambra and Imo States passed the Gender and Equal Opportunities Law of 2007 providing affirmative action measures to redress under-representation of women in appointive or elective positions, and prohibiting discrimination in education and employment. But these laws are still not well or fully implemented.

But the defeat of the Gender Equality Bill in our National Assembly in 2016, by both Christian and Muslim legislators largely on grounds of religion, said it all: our women have been condemned to inequality and discrimination by our political leadership class. We are one of the most backward countries on earth when it comes to how we treat our women in social, community and public life. The World Economic Forum's Global Gender Report for 2017 ranked Nigeria 122 out of 144 countries in its Gender Gap Index that measures how unequal women are in four thematic areas: Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment.

### **Issue 1: Access to Education**

Educating young people is the best way to break the cycles of inter-generational poverty. Nigeria has the world's highest rate of out-of-school children with a figure of nearly 15 million. **Females** are 5.5 million of these children, again making Nigeria the country with the highest number of **females** out of school. The problem is particularly

acute in the Northern states, with the North-Central and North-West regions having the lowest numbers. According to UNICEF, as few as 20 per cent of women in the North-West and North-East regions of Nigeria are literate and have attended school

Educating girls brings many benefits. Educated girls empowered with skills are more likely to have decent incomes, less likely to become child-brides, and are able to participate effectively in the society because they have more self-confidence. Girls education helps cut down maternal mortality rates, and the children of educated women frequently also go to school, which helps reduce poverty across generations.

There are many barriers to the education of women in Nigeria. The most important are culture and poverty. Both root causes reinforce each other. Because debilitating cultural habits favour boys over girls in the wrong belief that women do not need education to perform the tasks of childbirth, child rearing and home-making, poverty becomes entrenched because the society is not broadly productive across genders. This poverty in turn acts as an incentive or excuse to keep girls out of school because scarce resources lead families to make education choices in favour of boys. Even then, millions of boys remain out of school, so the problem goes beyond gender discrimination. In addition, most schools lack adequate facilities for quality education such as classrooms, educational equipment, water, health and sanitation.

### **Recommendations**

The federal and state governments in Nigeria must make primary and secondary education mandatory. Incentives should also be trotted out to facilitate compliance. An example of such incentives could be a kind of household subsidy to families below the poverty line who comply with laws and policies to ensure the education of girls.

Beyond incentives, it is vital to engage traditional rulers and other custodians of culture in our country on why it is the broader interest of the society for girls to go to school. This dialogue must be structured and consistent, and its outcomes made measurable to ensure it actually yields progress on the education of women.

Third, it is essential for state governments in Nigeria, in particular in the northern part of our country, to mount strong and effective sensitive campaigns on the benefits of girls' education through traditional and social media channels.

### **Issue 2: Lack of Financial Access**

According to Women's World Banking, an international non-profit organisation, 77 per cent of Nigerian women do not have access to financial services. This is a staggering figure. It means that only about 23 per cent of women in Nigeria have access to finance. It also presents a huge strategic opportunity for inclusive economic growth through financial inclusion of women. Women engage in the kind of broad-based small and micro businesses that, if well-funded, could give a remarkable boost to economic growth.

The Central Bank of Nigeria has identified key barriers to women's access to finance as including lack of ownership of collateral because tradition seldom cedes property rights to women, as well as the absence of credit histories since most women-owned businesses are informally organised. Beyond these factors, most women lack income and are financially dependent on men, in rural areas they often lack physical access to financial services, and are hobbled by low levels of financial literacy – part of a wider problem of low levels of education in general. Of marked importance, interest rates in Nigeria are very high, at an average of 17-20 per cent as of 2018.

**Beyond incentives, it is vital to engage traditional rulers and other custodians of culture in our country on why it is the broader interest of the society for girls to go to school.**

Women's lack of access to finance in Nigeria is a paradox because evidence suggests that women make better financial borrowers than men. They utilise resources more frugally and responsibly, and are more faithful in repaying credit facilities.

Improving financial support for women would markedly increase the numbers of women venturing into new businesses, which in turn will foster economic activity and productivity, and create new jobs. Financial freedom is a precursor to gender equality and, in turn, will help assure social security. Women make up a formidable demographic force, and mother the youth that is the next generation. Their well-being has important implications for our society at large. Empowering women, in particular financially, is a critical challenge.

### **Recommendations**

- The Central Bank of Nigeria should create an enabling policy environment for the establishment of women's banks by the private sector, that can provide funding to women to start their own businesses or grow preexisting businesses, with minimal collateral.

- Financial institutions and the government should partner to provide venture capital and private equity funding to female-owned businesses.
- Banking institutions should increase their products tailored to women's preferences and constraints.
- The CBN should revamp its micro-finance policy, which has so far not achieved the vision that inspired the institution of microfinance banking in Nigeria, to serve mostly women and be owned mostly by women. This is why microfinance has been successful in Asia but has not succeeded in Nigeria: the concept was predominantly female-oriented, while in Nigeria microfinance has been erroneously operated as mini-commercial banks.
- Financial inclusion policy, training and advocacy in Nigeria should be more specifically focused on women in order to bridge the gender gap and also improve access to finance more broadly. Failure to take this approach is why Nigeria has remained far from meeting its goal of reducing financial exclusion by 80 per cent by 2020, to which the CBN committed Nigeria in the global Alliance for Financial Inclusion.

### **Issue 3: Marital Protection Rights**

Many married women today ask themselves this question: “what happens if my spouse dies or divorces me?” Many married women are not financially independent and depend solely on their husbands to survive. They have no access to their husbands' financial resources through, for example, joint banking accounts.

Matrimonial laws ought to be fortified to provide substantive rights to women in the event of divorce or death of their male spouse. The opaque and porous state of existing family protections has effectively left women second-class citizens in contravention of the Nigerian constitution. For example, Nigeria ratified Article 7 of the Protocol to the Charter on Human and Peoples Rights on the Rights of Women in Africa. The protocol provides for both parties in a marriage to enjoy equal rights within and after the marriage in issues of custody and access to an equitable share of the joint property deriving from the marriage, but this has not become the case in reality.

Three forms of marriages are recognised in Nigeria – Customary, Islamic and Christianity. The reality of women married under Customary and Islamic law has not yet been affected by the protocol. A woman married under customary law is entitled to be provided with a home by her husband as long as the marriage subsists. She is also entitled to use her husband's property but cannot dispose of it as her own. The right to be provided with a house by her husband terminates upon divorce. Upon divorce, a woman married under customary law has no claim over a house jointly owned with her husband. Her position is not helped by the provisions of the Matrimonial Causes Act in respect of maintenance and settlement of property, which expressly excludes the application of its provisions to marriages under customary and Islamic law. However, in the case of women married under the Act, where she can produce documents showing she made a contribution to the property, she is entitled to the part of the property commensurate to her contribution. Despite this, several ills against women persist. Many women are denied custody and access to their children upon divorce and child marriage is still prevalent under Islamic law.

### **Recommendations:**

- State Governors should convene a policy-oriented dialogue with traditional rulers, who are the custodians of culture, to build consensus around reforms to traditional and cultural practices that deny women their rights in marriages. Resistance to efforts at women empowerment frequently comes from traditional institutions which believe they are defending culture or religions with conservative interpretations of the place of women – who are indeed different from men and have unique roles in nature and family life, but are not inferior to men. We cannot therefore make progress in the fight against gender discrimination without the active collaboration of traditional rulers and religious authorities in our country. Governments and gender-focused organisations should organise and hold seminars for men and women on women's marital rights.
- Policies that protect the rights of women during a divorce settlement or death of spouse based on cultural/family dynamics and traditions should be more vigorously developed and implemented, especially at the state and community levels.

### **Issue 4: Violence Against Women**

We are all too familiar with violence against women in Nigeria. Even with the drastic measures being taken to combat these potentially fatal acts against women, thousands of reported cases have continued to occur. Any form of violence against women should be punishable by law.

Twenty-five per cent of women in Nigeria have suffered the ordeal of domestic violence. Such violence includes, in its worst forms, battering, trafficking, rape and homicide. Women, whether married or single, condone various degrees of abuse for reasons such as lack of income, the fear of losing child custody, low self-esteem, fear of stigmatisation and much more. Victims are often prevailed upon to be forgiving regardless of the ordeal they undergo daily: physical trauma, psychological torture and emotional detachment.

## **Recommendations**

- Government agencies should join forces with other violence-focused organisations or women's platforms to raise awareness on the issue.
- Law enforcement should be sensitised to enforce laws against violence against men who physically abuse any woman. This element of deterrence needs to be robustly administered if a culture shift is to take place away from violence against women. Gender based violence against women occurs less frequently in Western countries because men understand that it is taken seriously.
- More influential Nigerian men should join and spearhead the fight against violence against women. Men must become part of the solution, and not much will change if the mindsets of men are not reformed.
- Medical practitioners should be mandated to report every suspected case of violence to law enforcement authorities.
- Government and non-governmental organisations should provide homes or shelters for abused victims.
- Educational programs on prevention of domestic violence must be stepped up to confront a pervasive cultural and deeply rooted problem for our society.

## **Issue 5: Low Female Representation in Leadership**

Women experience inequality in their everyday lives, from their career choices to the workplace, from relationships/marriage to their finances and the amount they are "allowed" to earn as women. Government, employers of labour, organisations and schools need to provide more opportunities for women to fill leadership positions. A more balanced gender mix in these establishments will go a long way in removing the unconscious bias and stereotypes that currently exist against women. We need more women in positions of authority and power to inspire and change behaviors.

**Women, whether married or single, condone various degrees of abuse for reasons such as lack of income, the fear of losing child custody, low self-esteem, fear of stigmatization and much more.**

Women are often absent or have low numbers in leadership positions in public life and corporate boardrooms in Nigeria. The situation in Nigeria's federal elective political positions is even more pathetic in the context of gender equality: there are only seven women in our 109-member Senate, and 15 in the House of Representatives. Although Dame Virgy Etiaba served briefly as Governor of Anambra State from November 2007 to February 2008 after Governor Peter Obi was impeached by the Anambra State House of Assembly, no woman has ever been elected a state governor in Nigeria.

The problem is just as deep in the executive branch of our federal government and in most state governments. While the government of President Goodluck Jonathan pursued a target of 35 per cent of his cabinet being women, and achieved 33 per cent, the numbers of women ministers and other executive leadership roles in President Buhari's government has sharply declined to only 14 per cent.

It is important to address this under-appreciated national crisis of gender inequality in political empowerment, as the chances of progress on gender equality will remain difficult.

## **Recommendations:**

The solution to closing the political empowerment gender gap in Nigeria lies in the political domain. I recommend:

- A massive increase in female participation in voting in the 2019 elections; more women should register to vote and acquire a Permanent Voter Registration Card (PVC)
- Female and male voters should inflict "political punishment" on all members of the National Assembly that voted against the Gender Equality Bill by campaigning and voting for their defeat in the 2019 legislative elections.
- The election of a presidential candidate, whether a man or woman, with a clear program and track record of support and advocacy for female gender equality in Nigeria.
- The adoption by the next President of Nigeria of an aspirational policy target of 50:50 gender parity in appointments to the cabinet and other political appointments, and in no event to achieve a gender gap closure rate of less than 40 per cent of political appointees being qualified and competent women with proven track records.
- The revival and sustained implementation of the National Gender Policy adopted by the Federal Ministry of

Women and Social Affairs in 2008 in consultation with state governments and international development agencies.

- The prioritisation of constitutional and human rights of women to freedom from discrimination over conservative interpretations of religion in national and state legislation, bearing in mind that Nigeria is a secular and not a theocracy.

### **The Vision for Women**

We cannot build a new Nigeria, one that is stable and prosperous, without the central involvement and participation of one half of our national population. Our collective self-interest, including sustained and inclusive economic growth, requires an end to the marginalisation of women in Nigeria's economic opportunities, educational attainment which has been proven to help break inter-generational poverty, maternal healthcare, and political participation.

We return to the matter of worldviews. A political leader's worldview, whether male or female is a major influence on how such a leader approaches the matter of gender equality in society and closing gender gaps. The worldviews of candidates for President, Governors or members of legislative houses, and their personal track record on issues of gender progress, matters.

I envision a Nigeria in which our 90 million women play roles as decisive as those of men. Indeed, given the sorry track record our male career politicians in all areas our national life, we must encourage the more active participation of women in our national democracy as voters and candidates.

In my vision, men must become more involved in the quest to end discrimination against women, considering how much my own gender has been part of the problem historically. The point is that women alone cannot solve the problem. Men too must stand to be counted in the quest to end this centuries-old scourge.

We should not encourage tokenism. The quest for gender equality must pursue affirmative action without lowering standards for women while upholding higher ones for men. Tokenism does great harm to the cause of gender equality, for when unprofessional women are placed in positions that require a high degree of professionalism and leadership skill and perform badly, this creates negative stereotypes.

- I believe that God created women with an obvious uniqueness that lends them to be better than men at certain aspects of social and family life. Even in the workplace and in national life we see their strength of character and, just as one example, an ability to manage resources well. But their difference from men does NOT make women inferior. On the other hand, I am not a feminist. While I believe in equality of opportunity, I am not a supporter of bra-burning feminism that denies the very essence of womanhood that makes women special.
- We must find a balance that recognises and makes use of the difference in genders in our country, while ensuring that no gender is discriminated against in social, community or national life and in the workplace or marketplace.

I repeat, our country will not rise without our women.

---

***Educating girls brings many benefits. Educated girls empowered with skills are more likely to have decent incomes which helps reduce poverty across generations. Less likely to become child-brides, and are able to participate effectively in the society because they have more self-confidence.***

---

# Vision 9

---

## A LETTER TO OUR 60 MILLION YOUTH

I HAVE A VISION FOR OUR YOUTH – THAT YOU WILL FINALLY RISE UP AND TAKE YOUR PLACE AT THE DRIVING WHEEL ON OUR national journey into tomorrow.

“The youth of a nation are the trustees of prosperity” Benjamin Disraeli, a former Prime Minister of the UK once said.

But consider, also, the famous quip by J. Edgar Hoover, the founding Director of the U.S. Federal Bureau of Investigation (FBI), that “blessed are the young, for they shall inherit the national debt”.

Hoover must have had Nigeria in 2018 in mind when he spoke over half a century ago. Here we are: a massive expansion of Nigeria’s indebtedness under the government of President Muhammed Buhari landed Nigeria with a debt profile of over N20 trillion. The ratio of debt to Gross Domestic Product (GDP) stood at 24.1 percent as of January 2018 and, more important, 66 percent of national revenues were spent on servicing the national debt. Nigeria may be returning to debt slavery from which it extricated itself under the Olusegun Obasanjo regime in 2004.

Nigeria’s youth appear blissfully unaware that their future may have been mortgaged. Disraeli and Hoover offer two visions of the possible implications and importance of being young.

We live today in a season of discontent. Poverty rates are higher than ever at 60 percent, and more than 30 million Nigerians, mostly young people like you, have no jobs or are underemployed. In the meantime, population growth is exploding, with the UN projecting that our population could hit 400 million by 2050 and make us the third most populous country in the world.

These 400 million will be you and your children. What will that future look like? On current trends of our leadership, governance and economic performance, not good. What is your role as youth? With 60 million estimated to be between the ages of 15 and 35, that future is in your hands. The power belongs to you, though you may or may not know it. Or maybe you do, but you don’t know how to act to change your future.

Only you, the youth of Nigeria, can change our country’s trajectory. You have the numbers, but can you rise to the challenge? The nation waits in bated breath.

Are you registered to vote in 2019? Or are you sitting around on your behind complaining into cyberspace? Are you, to use the American expression, “all throat and no voice?”

You may be on the queue of unemployment. You graduated from a university or a polytechnic, but you have no job and no hope of one. How can you change your destiny? Here’s what you need to know: only your vote can bring about a competent government that can wage a decisive war against poverty and unemployment. We need a government that is competent enough to create an economic environment that creates jobs.

### **The New Tribe**

Perhaps you are part of the New Tribe of successful young Nigerian entrepreneurs who have made it through innovation and hard work. Not because good governance created an enabling environment but rather, in spite of the absence of real national leadership.

This New Tribe is so cool. I was with you at Red Media Africa’s The Future Awards Africa (TFAA) in Lagos in December 2017. I was thrilled as you were recognised for your achievements and took your awards home.

I identify with you, this New Tribe that is focused on innovation and the quest for excellence, you who care not about the “tribalisms” that have held back our nation’s march to progress. Rather, we, together, are a New Tribe of Nigerians who believe a new Nigeria is actually possible.

**“The youth of a nation are the trustees of prosperity” – Benjamin Disraeli, former Prime Minister, UK.**

I watch you on television programs such as Y Television's "Rubbing Minds" and my heart swells with pride. I could be mistaken, at such moments, for the new Minister of Happiness and sundry types of fulfillment.

But there's just one thing missing: you carry on with life in a bubble of prosperity like politics don't matter. You live on an island of comfort with your latest apps, surrounded by a sea of poverty that Nigeria has become.

Only your vote can bring in the kind of leadership our country really needs. It's only your vote, and nothing else, that can create a tomorrow in which the wealth you have today will increase while, at the same time, the rising tide lifts all boats and not just yours. We must become a nation of "we" rather than the one of "me".

An awakening is taking place regarding youth participation in politics in Nigeria. It looks like we are now "woke". We can only know, however, how real this awakening is after the elections in 2019. The Not Too Young to Run movement achieved a significant victory when the National Assembly enacted a bill lowering the minimum age for seeking elective offices in Nigeria.

### **Making the Most of the Youth Bulge**

There are different paths to youth participation in politics. On one hand, we have a choice between voting participation, which is a heightened exercise of civic duty and responsibility, and thus shaping outcomes, and running for elections, which is a desire to exercise responsibility through service.

On the other hand, there is the option to participate in politics and leadership selection through informal civil society processes such as the movement that gave rise to the Arab Spring (only this time geared to democratic outcomes), versus the option of participating through formal structures such as political parties.

In the context of Nigeria, as between the first set of options, exercising civic responsibility by voting actively in elections is of greater strategic significance than young people contesting for elections, although that, too, is important. But the reason a focus on active voter participations matters more is that such an approach will give Nigerian youth more influence and a real voice in political outcomes. It will also create an enabling environment for a generational takeover of politics by the youth, leading to their own emergence as leaders with real experience. That approach will be better than contesting elections for the mere sake of youth candidacy in an environment still dominated by the adverse vice-grip of the old and established order of career politicians.

Regarding the second set of options, participating in politics through the formal structures of political parties will ultimately have greater impact than the "informal" politics of civil society. There is only one caveat to add here: Nigerian youth should form and populate new political parties rather joining the "youth wing" or "women's wing" of dinosaur political formations. You will have no real voice in such parties, dominated as they are by the career politicians that underdeveloped our country.

**What is your role as youth? With 60 million estimated to be between the ages of 15 and 35, that future is in your hands. The power belongs to you.**

Yesterday's men and women can only use you for their dirty jobs while stubbornly clinging on to power and beclouding your future. These perspectives come from lessons from the Arab Spring that swept the Arab world in 2011. Arab youth started the Spring but could not follow through, mainly because their approach was that of the informal politics of street protests while failing to take control of the formal structures of political parties still dominated by members of the old order.

Voting participation by youth in Nigeria remains low. More numbers of youth in Nigeria voted in the 2015 elections, but nothing compared with youth voting figures of 80 percent in Argentina, 78 percent in Brazil, 80 percent in Peru, and 55 percent in Romania.

Moreover, around the world, digital and social media are playing an increasingly large role in election outcomes, but are yet to become decisive. It is yet to be seen if this will be different in a country such as Nigeria where the youth make up a large swathe of the population.

My vision for Nigeria, then, is to have the voting power of the youth, deployed first in preventing bad leaders from returning to power and truncating their stranglehold on our collective progress by electing competent leaders. That decision should be based on the character, capacity, competence, and track record of the contestants. It should also be informed not necessarily by a perspective of youth for the sake of youth even where the candidate may lack the requisite qualifications. But we recognise as well that gerontocracy is an unhealthy bane of Nigeria's politics and that the time has come to send Nigeria's underperforming career politicians into retirement. The challenge is to find the right balance in the candidates for various offices in our democracy.

### **Get Your PVC**

Voter apathy is the biggest enemy. There is no excuse for it. Not the imperfections and difficulties of the voter

registration process. Not the excuse that past elections have presented us with poor choices. And not the rigging of elections in the past.

Just 29 million of 91 million eligible people voted in Nigeria's last election in 2015, 15% of our entire population. That 15% determined what we learn – or don't – in school, the food we can put on our tables, how businesses are taxed, and even what you are going to watch on TV next week.

Those that did not vote in 2015, some 62 million people, lost their chance to choose who made those decisions for us all.

62 million had a chance but stood silent.

62 million had the power but turned away.

Every decision that shapes your life as a Nigerian citizen begins with an election. Simply because everything from road safety to childbirth is regulated by elected officials and their appointees.

Even in the most perfect of circumstances, it will require years of collective hardwork to make Nigeria begin to truly work for every one of us. And let us face it: things are far from perfect in Nigeria. It takes years to ensure resources are allocated to deal with the problems of our here and now, and the problems of a better Nigeria, five, fifteen, and fifty years down the line.

So, our present and our future – all of it comes down to you. YOUR vote. YOUR choices.

In 2015, 15% made the choices for all of us. In 2019, be the young man, trying to feed his family who will reshape the country. Be the young business woman who will steer our nation's course.

By making the simple choice of registering to vote and obtaining your voter's card, you seize the opportunity to help direct our journey. It is your right and it is vital – for you, for us to rise together.

If there's any lesson Nigerians should take away from elections that have occurred all over the world, it is that every vote is consequential. You matter, and your choices shape the world.

We are many. We MUST work together to make Nigeria a country to be proud of. You and me, together. Register to obtain your PVC.

This time 62 million must stand,

62 million cannot keep silent.

62 million must lead the charge for a better Nigeria.

Let's get to work.

---

***Are you registered to vote in 2019? Or are you sitting around on your behind complaining into cyberspace? ...An awakening is taking place regarding youth participation in politics in Nigeria.***

---

# Vision 10

---

## OUR CAREER POLITICIANS CAN'T SAVE NIGERIA

LET'S GET REAL. THEY CAN'T. CERTAINLY NOT THE VAST MAJORITY OF THE DOMINANT POLITICAL LEADERSHIP CLASS WE HAVE IN our country today.

Let's just spend a little time explaining why they can't. And then figure out as citizens, what to do to save Nigeria. Our focus, I believe, should be on the future we want and how to create that future for ourselves, the young men and women that make up our large youth population, and our children.

The past is important mainly for the lessons we should have learnt from it. As the character Sebastian says to his friend Antonio in Shakespeare's play "The Tempest", 'whereof what's past is prologue, what to come, in yours and mine discharge'.

As the 2019 elections and another round of democratic leadership selection come into view, let's keep in mind what the real issues are: More than 30 million Nigerians are jobless or under-employed.

Nearly 15 million Nigerian children of school age are out of school. This is the highest rate in the world. Our health system is one of the worst in the world. Since health is our first, primal need in life, those who can afford it are frequently "medical tourists" abroad. The millions of Nigerians who can't afford these expenses but are equally deserving of good healthcare are left twisting in the wind. Those who will take Nigeria into a different future are those who understand how to overcome these problems.

On top of it all, we are a divided, nay fractured, country. We need to meet the increasing demands across the country for the irreducible minimum of justice and equity. We have to stabilize an obviously failing state and get it to function best for all its citizens. The painful crises of insecurity, poverty and injustice notwithstanding, Nigeria is not beyond redemption. We need to, and can, turn it into a nation.

How? Ethnicity and religion, on which Nigeria's political framework has been organised for the past 70 years, are powerful, sentimental forces that can easily overwhelm reason if we do not consciously guard against them. What we need to overcome this kind of small thinking, as I have argued in Vision 2, is a real worldview of transformation that is globally competitive.

This worldview is the first task that faces the next generation of political leadership in our country. It includes something called "manufacturing consent" among disparate peoples in one space. This is part of the delicate and complex art of nation-building. It requires certain key character, intellectual and attitudinal qualities that rise above the swamp of identity politics in order to overcome it and engineer a RISE as one nation.

That worldview must be one that measures the distance between where Nigeria is today and where the rapidly rising countries of Asia are. How can we turn Northern Nigeria into Dubai or Malaysia, the Southeast into Taiwan or South Korea, the South-South into Norway, and the Southwest into Germany? A Nigeria of this scenario would be a world power, the new China.

This is what should occupy the mind of any Nigerian president, every member of the National Assembly or every state governor. It all begins in the mind. The leadership that can produce the results we need must be anchored on how such leaders think. A man or woman cannot act outside of, or beyond, how s/he thinks. We know that how we think is a function of our value systems, and experts identify values as one of the seven components of a comprehensive worldview.

We know that it also is a product of a combination of formal education (very few of our underperforming politicians are functionally illiterates!) with exposure to – and assimilation of – superior ideas and experiences. Our political leaders have all been to Dubai, Washington DC and Singapore, but haven't copied those countries.

If you have grown up participating in a political and career culture of non-performance in which dexterity in the fine arts of "political" maneuvering matter more than delivering the concrete results of good governance, you can hardly be expected to act or lead differently at the pinnacles of political power and responsibility. Ditto if you envelop yourself in an insular culture of ethnic chauvinism in which the members of your tribe are necessarily "superior", or you must "avenge" their marginalisation if you have a leadership mandate. If that is how you think,

that is how you will define “success”.

A core function of leadership is to motivate, inspire and unify citizens around core values, set goals to be achieved, and point to the future state or condition to which a country aspires. The new Nigerian leader must build an inclusive First Eleven team, with top-notch human capital drawn from all over the country or state, and get to work. Neuroscience tells us that human beings perform at their best when their brains are conditioned to feel safe, secure and trusted. Leadership that creates this level of mutual trust with and amongst its followers always delivers the most transforming outcomes.

**...we must now begin to look beyond our traditional political class for leadership. We must look for leadership to a new “leadership generation” that thinks differently and can co-educate fellow citizens...**

Given all this, we can place what we need as Nigeria and as Nigerians against what our political “leaders” have delivered. Then we should ask ourselves what the chances are that they can or will give us something different in the future if we continue to place our destinies in their hands in 2019 and beyond.

Partisan politics or even what passes for governance in Nigeria is based neither on ideas nor on ideologies. Nigerian politicians have no core beliefs. Our politics are a series of transactions aimed merely to “be on the seat” of power, wield authority for its own sake and advance the causes of vested interests of all stripes, and get personally wealthy in the bargain. The purpose is not to transform our states of being as citizens.

We can’t face or build the future by relying on those whose “skill sets” lie in the past. It’s time for a different game. We need a paradigm shift in 2019. Lest we forget: we, the citizens, have been voting for these politicians. We have done so for various reasons. Maybe they gave us bags of rice or other inducements or, even worse, bought our voters cards off us.

Perhaps we have been armchair critics, complaining perennially about poor governance but failed to register to vote and actually vote. Or, we have been swayed because the politicians got the better of our sentiments in one way or another, but turned out not able to govern well. Perhaps we voted for other candidates but some others rigged the polls and “won”. Or it could be a combination of all these factors.

Whichever it is, the paradigm shift that we need is this: We must now think differently, want different things, and want different kinds of leaders to deliver those different things. This means we must now begin to look beyond our traditional political class for leadership. We must now look for leadership to a new “leadership generation” that thinks differently and can co-educate fellow citizens with the Nigerian version of the philosophical and organising principles that built progress in the United Arab Emirates, China, Singapore, South Korea and Malaysia.

We need to create inclusive economic growth that is job-led, not just jobless GDP growth. That way our economy can keep ahead of population growth. Such economic growth can only be based on productive knowledge, skills and innovation. This is the kind of knowledge that will turn the vast amounts of solid minerals in the northern and other parts of Nigeria into value-added products for export and can turn northern Nigeria into Dubai. It can turn the technological ingenuity of inventors from the Southeast and other parts of the country into home-made products on our shelves and for exports.

This wealth of nations cannot be achieved through the fixation our political leadership class has had on the price of crude oil. It can be attained only by nurturing strong, independent institutions that underpin our economy and the rule of law, free from political interference.

With clarity in our minds about what Nigeria needs, we must now subject all those seeking national or state political office to the objective standards of character, capacity, competence, and track record against the backdrop we have set out above. No one can give you what he or she doesn’t have. No one can lead you effectively if such a compatriot has no real clue about what leadership means. No one can lead you well who conflates mere longevity in Nigerian-style, winner take-all, Ghana-must-go-bag-carrying politics, or loitering on the corridors of power, with real leadership.

We must look to a new generation of younger, technocratic minds that can actually solve these problems of nation-building, joblessness, aggravated and widespread poverty, and weak institutions. Many of such minds have stayed out of politics (which includes the formal politics of the partisan sort, as well as the informal one of the civil society) until now. Because many apolitical Nigerian professionals avoid the public square, wherein is determined the quality of our lives, status quo politicians have been eating our lunch. Compatriots of the former variety, yours truly not exempted, must now step forward or forever hold their peace.

It is time for the so-called Office of the Citizen to do its patriotic duty. Apathy will no longer do. To paraphrase the immortal words of Nelson Mandela, the struggle must now become our lives.

---

*A core function of leadership is to motivate, inspire and unify citizens around core values, set goals to be achieved, and point to the future state or condition to which a country aspires.*

---

# Vision 11

---

## THE NIGERIAN DIASPORA

I HAVE BEEN ON THE OUTSIDE, LOOKING IN AT MY COUNTRY. I ALSO HAVE BEEN ON THE INSIDE, LOOKING OUT AT THE WORLD. AS A Nigerian who has lived and worked at home and abroad, I know that Nigeria cannot become a great nation unless our Diaspora play their own unique role in nation-building.

We celebrate our high-achieving compatriots in the Diaspora, so much so that it has become something of a national pastime. I suspect that we take such extreme pride in the exploits of our citizens abroad as a psychological shelter for our deep collective despair with the shambolism and poverty that is the lot of most Nigerians at home. And yet, what this phenomenon tells us is simply what is possible if only we can organise our country to take advantage of the talents of many of our 180 million people.

From young Nigerians like Ifeoma White-Thorpe, Harold Ekeh and Augusta Uwamanzu-Nna who achieved university admissions to all of America's Ivy League universities and faced the dilemma of choosing which of these universities to attend, to the actor David Oyelowo who played the role of Martin Luther King Jr. in the biographical film "Selma" in 2014, we are enthralled by the success of our Diaspora.

The findings and academic journal article by Dr. Bennet Omalu, a Nigerian-American neuropathologist, on chronic traumatic encephalopathy (CTE) with a theory of what causes concussions in American football led to a major movie, "Concussion", that was based on Omalu's life. As if having a major movie based on your life made in Hollywood as an immigrant from Nigeria wasn't enough distinction, the megastar actor Will Smith acted Omalu.

Duro Olowo became former United States First Lady Michelle Obama's designer of flowery print dresses that became her sartorial signature. The global investment banker and private equity mogul Adebayo Ogunlesi leads Global Infrastructure Partners, the firm that bought London's Gatwick Airport for 1.5 billion pounds sterling. He served briefly on a business advisory council appointed by US President Donald Trump, before the American leader dissolved the council in a Twitter announcement in response to a political crisis over his response to a march by white supremacist racists at the University of Virginia. Jelani Aliyu of Nigeria designed the Chevy Volt, an award-winning electric car, for General Motors. In an effort to bring home talented Nigerian professionals abroad, the government of President Muhammadu Buhari appointed Aliyu the Director-General of the National Automotive Design and Development Council (NADDC) in 2016.

**It is estimated that 2,000 Nigerians in Diaspora return home annually to seek opportunities in employment or business. This is an extremely low number.**

Nigeria is believed to have as many as 10-15 million of its citizens living and working abroad, although this is likely an exaggerated figure. It is estimated that 2,000 Nigerians in Diaspora return home annually to seek opportunities in employment or business. This is an extremely low number. It should be no surprise, however, for there are many returnees whose experience has discouraged them and others. Many Nigerians in the Diaspora thus do not take up offers to return even when approached by governments at home. Based on anecdotal evidence, they have a right to be cautious. Diaspora engagement is yet to become truly well organised and institutionalised.

When, in 2009 I was headhunted from the Diaspora in Switzerland to serve as a deputy governor of the Central Bank of Nigeria for a five-year term, I did not immediately jump at the offer that was extended by Sanusi Lamido Sanusi, who was the Governor of the CBN at the time, on behalf of then President Umaru Yar'Adua. It took some persuasion from the head of the Bank, and my own assessment and conviction that Sanusi had a truly transformative vision for extensive reform in the financial sector that I was being offered the leadership of its execution, for me to commit and return home.

It wasn't that I did not wish to serve my country. I had indeed nursed that desire for years earlier. It's just that,

like many Nigerian professionals abroad with a family, I had a responsibility to my family to look before I leapt, to assure myself that the experience would afford me career stability in return for the disruption my family and I were certain to go through, as well as adequate remuneration to discharge my responsibilities to my household. It was, in retrospect, a satisfying time in national service. This was largely because, rare in the Nigerian public sector, the CBN in that era was largely independent of political influence, and so one could remain a true professional in the exercise of one's duties.

The massive wave of immigration abroad by Nigerians began in the 1980s, and picked up in the 1990s as economic conditions degenerated at home. Concentrated mostly in the United States, Europe, and Africa, these citizens contribute to the advancement of their host countries but only to the "survival" of their kith and kin at home in Nigeria. I have chosen the words "advancement" and "survival" deliberately.

Diaspora Nigerians contribute to the advancement of their host countries because they are usually highly skilled immigrants. They are medical doctors and nurses, engineers, innovators and inventors, professors, lawyers, and much more. They are entrepreneurs, their skills contribute directly to the well-being and economic growth of countries such as the United States, United Kingdom, South Africa, and Ghana.

As Professor of Practice in International Business and Public Policy at Tufts University's Fletcher School of Law and Diplomacy in Massachusetts, USA, one of the world's top schools of international affairs, I taught a course on "Emerging Africa in the World Economy" for two academic years to graduate students from countries as diverse as the USA, UK, Canada, France, UAE, Japan, India, Brazil, Ghana, Nigeria, Switzerland, and Zimbabwe. The backgrounds of these students, most of whom were already mid-career professionals, ranged from private equity to development aid to military intelligence. In another decade, they will all have become national or world leaders in their chosen fields.

I was the only black professor on the faculty during the two years I taught there. I was appointed a professor at Tufts University based on my prior leadership track record at the Central Bank of Nigeria and in the international civil service of the United Nations, my experience as an entrepreneur who founded a successful global consulting firm in Geneva, Switzerland, and the books I have written, in particular *Emerging Africa: How the Global Economy's Last Frontier Can Prosper and Matter*. In other words, I was appointed to teach my book because Tufts University considered it an important contribution to knowledge.

Nigerians in diaspora are able to contribute to the advancement of the countries they live in because many of these countries operate a "knowledge society". Knowledge and skills are highly valued and rewarded in these societies because such knowledge directly drives economic growth.

Our Diaspora contributes to the "survival" of our kith and kin at home because bad governance has left our citizens progressively impoverished over the past several decades. Many Nigerian families at home have come to depend on the remittances sent home to them by their family members who live and work abroad because their skills, though needed at home, are not valued, recognised, or rewarded adequately. Nigerians abroad remitted \$21bn home in 2015, and topped it with remittances of \$34 billion in 2016. We are the country with the highest amount of remittances in Africa and the sixth in the world.

**Nigeria is believed to have as many as 10-15 million of its citizens living and working abroad, although this is likely an exaggerated figure.**

The Federal Government of Nigeria issued a \$300 million Diaspora Bond in 2017. The bond was over subscribed by 130 per cent, indicating the keen desire Nigerians in Diaspora have in participating in our national life. While the initiative was novel, the devil was in the execution. We need more transparency on the bondholder base and the subscription process for the bonds, as there were media reports that the process was done mainly through private banks and the subscribers may not all have been Nigerians in the Diaspora. These bonds nevertheless provide an important window of opportunity for diaspora to engage with economic governance at home by checking to ensure that the bond raised is Utilised for the purpose of capital projects that was held out as the main goal of the issuance. It is not enough simply for investors to get financial returns.

Moreover, as it is typical with governance in Nigeria, the Diaspora bond may be nothing more than an opportunistic transaction to raise money for a government that faced fiscal pressures in a depressed economy. We ought to go beyond this to a strategic engagement with our citizens abroad that could potentially transform our society in a more fundamental manner.

For Nigeria to prosper, we must truly become a knowledge society. This is why the skills and experience of our diaspora are critical to our progress. The necessary incentives, conditions, and structures must be put in place to repatriate our global talent. It is not enough for Nigerian governments to pay lip service to the importance of our diaspora and make surface appeals to the sense of patriotism of foreign-based Nigerians. Nigerian Diaspora

themselves have three important incentives to collaborate with a federal or state government in Nigeria that is truly serious about their potential role in national development.

First, most Nigerians in the Diaspora want to return home given the right conditions and incentives. Although globalisation and the global mobility that goes with it has weakened this reality, with many Nigerian immigrants opting to dig in and even seek domestic leadership roles in their host communities as we have seen most remarkably in the Nigerian Diaspora in the United Kingdom, the sentiment of homesickness remains prevalent. This is largely because of the immigrants' status as racial minorities in their adopted countries, or xenophobic tendencies in their host countries.

Second, even where a Nigerian abroad has no real desire to return to live in Nigeria, he or she wants to be proud of our country. They want the country to have the kind of leadership, governance, and economic growth that will give them reasons to hold up their heads with pride wherever they may be. The situation in an immigrant's home country affects his or her standing in the society of his or her adopted country. This is why, in early 2018, allegations that US President Donald Trump described Haiti and African countries as "shithole countries" set off a diplomatic incident between African leaders and the Trump administration. However offensive the alleged slur is, incidents like this can only occur because the political leaders of several – but certainly not all – African countries are incompetent and ineffective and so do not command the respect of their citizens and foreign leaders.

Third, Nigerians in diaspora should want to reduce or end the remittances they send home. This can only happen if Nigeria is fundamentally repositioned with the creation of an inclusive and booming economy.

Indian diaspora (famously known as Non-Resident Indians – NRIs) as well as those of China and Israel have played transformational roles in the rise of their respective countries to greatness, mostly through a transfer of skills they acquired in Western countries. Nigerian Diaspora face steep obstacles to replicating such a scenario in our country. The first obstacle is a mental block and disconnect between Nigeria's political leaders and their compatriots in the diaspora.

Although a few elected Nigerian state governors have had diaspora experiences, no president of Nigeria has lived and worked abroad as an immigrant professional. They have all been predominantly home-grown in their professional and social experiences and so are simply unable to connect with the aspirations and pains of the Nigerian diaspora. Unable to connect emotionally or even rationally with their diaspora compatriots, our political leaders have been unable to prioritise the potential contributions of diaspora Nigerians to national development.

**The necessary incentives, conditions, and structures must be put in place to repatriate our global talent.**

An important obstacle to our Diaspora returning home, especially to roles in the public sector, is that of low pay relative to the more decent remuneration they often earn abroad. Returning Nigerians in the diaspora also frequently face cultural resentment in public sector workplaces from homegrown compatriots, but have fared better as entrepreneurs. The culture problem is a double-edged sword: there have been returnees who, instead of making a positive impact in their new sphere, "go native", falling prey to the reigning ethos of corruption and other societal vices.

The most important obstacle to diaspora return and a potentially transformative role, however, is the absence of medium to long-term strategy and institutions to do the sustained, long-term works of diaspora engagement.

### **My Vision of Diaspora Engagement**

- The Federal Government of Nigeria should establish the National Commission on the Diaspora approved recently the National Assembly as a full-time, apolitical institution created by legislation with a mandate to handle all aspects of engagement with the Nigerian diaspora.
- The Diaspora Commission should develop a long-term strategy for Diaspora engagement and return, matching skills and interests of Diaspora Nigerians with appropriate opportunities at home in a systematic manner. To achieve this goal, the Commission should map the skill sets of Nigerians in the Diaspora and match it with the strategic needs of our country in areas such as healthcare, industrialisation, energy infrastructure, science technology and innovation. An arrangement of permanent or temporary diaspora returns should then be established with appropriate logistical support for visiting or resettling returners.
- The Diaspora Commission should serve as real point of contact between Nigerians living abroad who wish to relocate back home, and the Nigerian government for all matters of resettlement, work and reintegration beyond the traditional consular duties of Nigerian embassies and consulates abroad. An official of the Diaspora Commission should be seconded to each Nigerian embassy abroad.

- The Federal Government of Nigeria should establish a Diaspora Trust Fund with an additional tranche of Diaspora bond issues. The purpose of this fund will be to cover additional remuneration to reduce the pay gap between what Nigerians abroad earn and the comparatively low wages for similar work in Nigeria. This arrangement, however, which will operate only in the context of the public sector, and should be limited to a transitional period of five years. After this period, a returnee may opt to remain permanently at home or return abroad, but his or her skills would have been transferred, as well as the required equipment where applicable.
- All eligible Nigerians in the diaspora should be able to vote in Nigeria elections from overseas by casting their ballots at Nigerian embassies and consulates. This reform must be in place before the 2023 elections at the latest. There can be no excuse for disenfranchising Nigerians of their ability to vote simply because they live abroad. This reform will go a long way to wean off the alienation frequently felt by Nigerians in the Diaspora.

---

***For Nigeria to prosper, we must truly become a knowledge society. This is why the skills and experience of our diaspora are critical to our progress.***

---

# Vision 12

---

## RESTRUCTURING NIGERIA

### **Inconvenient Truths**

NATION-BUILDING IS HARD, BUT IT NEED NOT BE AS DIFFICULT AS WE MAKE IT IN NIGERIA. NATION-BUILDING IS ALSO INTENTIONAL. It doesn't happen by accident. The real test is in the leadership and the actions that create a real spirit of nationhood, and the willingness of every stakeholder to build a united, stable and cohesive nation. Fifty years after the Nigeria-Biafra civil war, we were confronted in 2017 with the imperative of defining a future for Nigeria that escapes our country's past.

The problem in our country is that we avoid honest dialogue, which sometimes involves telling ourselves uncomfortable truths. And there, at least, two of such truths. One is that Biafra or any other secessionist breakaway from Nigeria is not the solution to Nigeria's problems of nation-building. Nnamdi Kanu and his supporters should have argued their case through a political process by becoming a political party if they so wished. When he mounted a fundamental challenge to the sovereignty of Nigeria by asserting that there would be "no elections in Biafraland", his goose was cooked. The rest, as the saying goes, is history. This truth is highly inconvenient to the supporters of Kanu's Biafra movement.

But there is another inconvenient truth: The cries of marginalisation, restructuring and illegal secessionist tendencies are, at their core, a cry for justice in our country.

Some compatriots hurry to gloss over this underlying truth or, even worse, pretend that it's just not so. Just as the horrendous massacres in communities across the country by armed herdsmen, with the killings in Benue at the end of 2017 as just one example, is inconvenient for them to confront or call it by its name. Global security experts have named the herdsmen one of the world's worst terrorist threats. But to those our fellow Nigerians who dare not speak the truth, the herdsmen are "criminals", but Mr. Kanu's "Indigenous People of Biafra" (IPOB) are officially labeled terrorists.

All of this is about leadership that is based on a worldview of "us versus them". It is therefore guaranteed to fail, and worse, deliver nothing other than conflicts across the land. No one will win. We all will be losers.

**In other words, 57 years after independence, we remain stuck at the level of fundamentals. We can't take off unless we sort them out.**

Our country is currently anchored on injustice in many ways, and that arrangement simply can't last forever. We can take that to the bank, for as Martin Luther King so elegantly put it, "the moral arm of the universe bends towards justice". The Federal Government of Nigeria and all our countrymen and women should therefore take the increasingly potent agitations by various groups in Nigeria with the seriousness the matter deserves.

The Nigerian state must engage the agitations and address, and redress, their root causes that lie in decades of self-evident marginalisation that several groups have experienced in post-civil war Nigeria. These hurt feelings and the suspicions they breed have not just hampered the progress of nation-building in Nigeria. They are creating the foundations of certain state failure if further mishandled, as the bonds that hold our country together in an imperfect union continue to fray.

Which brings us to the question: where do we go from here? There really is no alternative to the constitutional rearrangement of the Nigerian federation. Call it "restructuring", "reconfiguration", "redesign" or what you will. And I mean a structure that is based on regions and not primarily on states.

Several rational arguments make a strong case for taking the bull by the horns and re-engineering Nigeria. All Nigerians should reflect and act on these arguments in our collective self-interest. Our country is not working. Many groups feel marginalised today or have felt marginalised at different stages of our national history. We can't achieve

greatness as a country without national unity, stability and cohesion. Many nations have achieved nationhood and prosperity in diversity, which is the default composition of most nations on earth. Only a few nations, like Japan and Korea, are truly homogeneous.

All that is required is that we bury the winner-take-all mentality driven by ethnic and religious irredentism and design a structure that works for us all. This is doable with real leadership, political will and commitment. Restructuring, if well done, will have a proactive effect of positioning Nigeria for real development. That's a far better scenario than the episodic, reactive fire-brigade responses to the Yorubas after the June 12, 1993 presidential election won by M.K.O. Abiola was canceled, the Niger Delta militancy over crude oil "resource control", the Boko Haram rebellion, and the recent neo-Biafra uprising. In other words, 57 years after independence, we remain stuck at the level of fundamentals. We can't take off unless we sort them out.

### **Why Restructure?**

The case for restructuring, then, is clearly four-fold. The first is the case for justice and equity. Anyone can make disingenuous arguments, but the current constitutional structure of Nigeria and concentration of power at the center in Abuja favors some parts of the country and disenfranchises others, in particular those parts of the country from which the natural resources rents support on the current structure. It disenfranchises them because they have no control over these resources (which should not be the case in a truly federal state), and also because the arrangement places excessive political power in the hands of whichever group controls power at the center.

The essence of a federation such as we had under the 1960 and 1963 constitutions, is an agreement to form it by its constituent units and an appropriate balance of powers between the constituent units and the center. A perversion of this cardinal principle has created injustice, which has created disunity. It has led to a retreat from the Nigerian-ness that I echoed in Vision 2, egged on by these valid resentments at inequity and injustice, back to primordial identities that make a mockery of our nationhood. You really do want a nation in which everyone is essentially a happy camper on the basis of collective interest, not one in which some groups feel they are held "captive".

**The problem in our country is that we avoid honest dialogue, which sometimes involves telling ourselves uncomfortable truths.**

Second, restructuring is necessary because of the destabilisation that the current conditions have bred. We can either stabilise Nigeria by restructuring it, or continue to play the ostrich by insisting that our "processes", not the structure, are the problem. Low intensity conflicts will continue in various parts of the country, with the theatres of conflict shifting to different regions at different times (South-South, Southeast, Middle Belt in the North-Central, Northeast, and so on).

This would be a dereliction of the federal government's responsibility to protect the lives and property of the citizens of Nigeria). A derelict, vastly overstretched and over-centralised police force will not accomplish this task, nor will siege-style security governance in which our armed forces are constantly deployed to check-mate internal dissenters.

Third, restructuring is imperative in order to take care of what I call the "fundamentals". We need a peoples' Constitution. A constitution that was made by military dictators should not guide a democracy, if such a democracy truly is a government of the people, for the people, and by the people. We need to address the National Question, that of what makes Nigeria's nationhood and the relationship between the nearly 400 ethnic nationalities and the Nigerian state, Here, I would recommend that, if we are to achieve real progress, we should resolve this conundrum decisively in favor of Nigerian statehood rather than ethnic nationality, but at least it must be agreed by the Nigerian people.

Fourth, restructuring also is the best path to economic transformation. A six-zone federal structure will offer economies of scale in terms of the ability of a regional government to mobilise adequate tax revenues and Utilise these resources for development. It will do the same in the areas of manufacturing as well as intra-regional, inter-regional and international trade. A restructuring based on the current 36-state structure will not work. Thirty out of 36 states in Nigeria today are fiscally unviable. Only six states outpace with internally generated revenue of what they get in handouts (Federal Allocation Account Committee allocations) from Abuja derived from oil rents. Paying salaries to state civil servants as at when due, or in arrears, has become a governance "achievement" in our country! With the reign of crude oil regressing into historical memory, the future is bleak and unsustainable, under our current fiscal structure, without a fat federal government oil purse to be distributed to dependent states.

Restructuring also is essential because it will help our democracy achieve better governance. The periodic rituals of elections have not necessarily improved governance. There are two ways this will happen. One, restructuring will bring greater accountability and transparency to governance because power and responsibility will devolve closer to the people. This will help evolve a better culture and quality of leadership, and will also foster competitive

development between the regions. Nigeria today is far more integrated than it was in the 1960s, and the six-zone structure will prevent the extreme ethnic chauvinism that afflicted the First Republic. Restructuring ought as well to accomplish a reduction in the costs of governance at both the center and the regions.

### **The Shape of Things to Come**

To work well, a restructuring exercise must make informed choices. We must choose between maintaining a unitary state (which is Nigeria today despite officially being a federation) in which the central government is very powerful, with devolution of powers as is increasingly the case in the UK, a true federation in which regions could be the federating units with the central government and the federating units being roughly equal in status as in the United States, Canada, Germany, India, Australia and Brazil, or a confederation in which the federating units are superior to the central government, with Switzerland as a prime example.

The best arrangement for Nigeria is neither the “unitary federalism” the military leaders imposed on us, nor a confederation, but a real federation with a finely calibrated balance of powers and responsibilities between the central and federating units. In this scenario, the federating units can look after themselves more effectively without the “feeding bottle” of the central government. The center becomes less powerful, but not weak, because it will retain core sovereign responsibilities such as the armed forces and security services, citizenship and immigration, foreign affairs, and the central bank. The federating units in Nigeria should be the six geopolitical zones and not the present structure of states. In my vision of a restructured Nigeria, each region will control natural resources found therein, but pay 40% of the income from those resources to the central government for the functioning of the federation. This will spur development because the regions will now take on responsibility for how they use their natural resource income, and indeed whether they choose to depend mainly on such income or build a more complex and productive economy.

**The Nigerian state must engage the agitations and address, and redress, their root causes that lie in decades of self-evident marginalisation that several groups have experienced in post-civil war Nigeria.**

With the importance of hydrocarbons in global strategic decline in the face of renewable energy and electric cars, the solid minerals prevalent in the northern states of Nigeria will give that region some advantages in a restructured Nigeria. But that is only if the mistakes of raw natural resource dependency are avoided from the beginning. There is no better way to assure that outcome than an insistence, as a core condition for any foreign investment, that value-addition industries are cited near the source of these natural resources, and that only value-added products will be permitted for export. Regions like the Southeast that are not rich in natural resources, will develop industrial and innovation economies in a restructured Nigeria.

There will be regional or state police, but with a constitutional provision for overriding security powers for the center, through the armed forces (on a national sovereignty basis) should there be conflict between regional and federal forces of law and order. The balance of powers between the regions and the center will be deliberately designed to give component regions developmental and policy space, but not to create an overly weak center. The central government must nevertheless be lean in personnel and not bloated.

Restructuring is opposed by two main kinds of people: those who are ignorant of what it really means, and therefore are susceptible to arguments that cast the idea falsely as a “breakup” of the country, and those who know the truth but are wedded to vested interests and self-serving agendas that have nothing to do with Nigeria’s real progress.

I believe that restructuring is necessary and inevitable. Some stakeholders may dismiss the prospect because of a fear of the loss of perceived political advantage. But no one has anything to fear in an intelligently restructured Nigeria. There can be no peace without justice. The question is not whether Nigeria will be redesigned but when, and who will lead the process of achieving that outcome in which every Nigerian, regardless of tribe, tongue and creed, could be a winner.

---

***All that is required is that we bury the winner-take-all mentality driven by ethnic and religious irredentism and design a structure that works for us all.***

---

# Vision 13

---

## INTERNAL SECURITY, LAW AND ORDER

THE POLICING OF NIGERIA'S SECURITY ENVIRONMENT PRESENTLY FALLS FAR SHORT OF WHAT IT SHOULD BE IN THE 21ST CENTURY. Law enforcement generally, and the police in particular, need reformatory attention.

Nigeria has developed a National Security Strategy, derived from the National Security Policy, which was presented by the federal government in February 2015. In addition to providing direction and levels of coordination to stakeholders, it seeks to identify Nigeria's national interests, prioritise each interest, evaluate issues, trends and challenges with respect to the interests and determine objectives. The strategy remains as yet unexecuted.

The challenges that act as destabilising forces include corruption, weak administration of justice, eroding ethical standards, inadequate infrastructural and social services delivery, and declining educational standards. This has resulted in terrorism, transnational organised crime, crude oil theft, poor border controls, communal and religious conflicts. Other consequences of the lack of operationalisation of the national security strategy include pastoral-farmer conflicts, kidnapping, illegal migration, proliferation of small arms, cyber-crimes, economic and financial crimes amongst others. This is the environment in which law enforcement is expected to operate and excel.

An Internal Security Strategy exists to allow for a safe and secure environment to enable the pursuit of peace, wellbeing, prosperity and development. How does the Nigerian Police Force fit into this strategy, and is the Force positioned to complement it?

Despite several attempts at reform, the Nigerian Police Force remains weak and simply incapable of assuring internal security, the very first function of any government.

**The Nigeria Police is a federal agency, and should thus reflect its federal nature in the deployment of its staff.**

Understaffed, under-trained and underfunded as it has been, we cannot build our country unless we can secure it internally by a fundamental reform of the Nigerian Police Force. Our inability to do so has led to Nigeria approaching the description of a failed state in which several non-state marauding forces bear arms and wreak havoc. Our police force is incapable of enforcing law and order.

The World Internal Security and Police Index 2016 released by the International Political Science Association ranked Nigeria's police force the worst in the world in a survey of 127 countries. The report assessed four key areas: capacity, process, legitimacy, and outcomes. Botswana was the highest ranking African country, raking 47 overall, while Rwanda was the second highest ranked country on the continent with an overall rank of 50.

### **Recruitment**

The Nigeria Police has three tiers of recruitment – the officer cadre, the inspectorate cadre and the rank and file. Aside from physical and academic criteria, the force must also ensure federal character. Experience suggests that, with the exception of Federal Character, the police does not adhere to these criteria. This has resulted in sub-optimal recruits that for the most part are at best suited to private security establishments from the perspective of their physical and academic qualities.

The political influence of traditional and religious leaders, political bigwigs, money bags and senior officers in the recruitment process worsens the problem, another example of how institutions in Nigeria have been corrosively weakened by partisan politics and societal indiscipline. The lower the hierarchical chain you go, the greater the potential for disaster. Most of the junior recruits in the Nigerian Police Force can barely read or write. This should be no surprise, as, with few exceptions, the pool from which the police work force is recruited generally lacks education, poise, character and pedigree. Government must find a means of attracting better persons to the force.

## **Training**

Training of police officers at all levels is still mired as in the colonial era. The training manuals have not been revisited since the 1960s and the training methods are still crude and mostly theoretical rather than practical.

To further compound the situation, the police force personnel are trained as General Duty Personnel (conventional policemen engaged in everyday police duties). They are expected to perform all police duties irrespective of specialty.

A single police officer is expected to perform in the operations department and master skills from traffic control to crowd control, through to combating armed robbers, kidnappers and militants. The same officer is expected to investigate complaints of simple assault to theft through to major financial crimes and homicides and any and everything in between. The same officer must have administrative, research, speech writing skills; all embodied in one person.

To further complicate the training of officers, those posted to training institutions are considered to be there on 'punishment', and rarely, if ever, give their best. These factors neuter the ability of police officers to perform optimally. The world of modern policing has since moved on.

The police training curriculum needs a complete overhaul to be brought into the 21st century. After a probation period during which officers are assessed, recommendations should be made as to which specialty for which the officer is best suited. Only the best brains with experience should be allowed in training institutions while their remuneration and career progress should receive special and separate consideration to encourage trainers.

## **Deployment**

The deployment of officers needs serious review. Too many personnel are deployed on the basis of favours rather than on suitability or on merit. Experience, competence, capability are rarely the criteria and as a consequence, the administration and operations of the force suffers.

The force needs to specialise. Those who show an inclination and preference for a particular specialty – investigations, operations, administration – or even an interest in a sub category of any of these should be encouraged and trained to the level of expertise in that category. Finally, the number of police officers performing non-police duties needs serious review and attention.

## **Database**

The force does not have – till date – a database worthy of the name. Basic investigative actions – photographing, fingerprinting and the obtaining and retention of suspect's vital information – in a manner it can be easily reproduced – simply doesn't exist. Vehicle registration suffers the same fate.

Without a reliable data base, the force cannot hope to resolve crimes expeditiously, or to provide information, for instance on individuals seeking employment or political office.

## **Remuneration and Welfare**

Remuneration in the Nigerian Police Force is still exceedingly poor. This is compounded by the failure to pay allowances, lack of provision of official quarters or barracks, uniforms and accoutrements, official transportation particularly for the junior ranks, and extremely long and hazardous working hours. Very few policemen enjoy their full annual leave, if at all.

## **Funding**

Government funding is made directly to the office of the Inspector-General of Police (IGP) who dispenses it, basically, as he wishes. This is not to suggest that the accounts are not regulated and auditable, but that it is open to abuse as there is no real 'supervision'.

Considering the command structure of the force – Divisional Police, State Command and Zonal Command – there is an argument for funding to be made direct to offices at these levels, with the offices of the IGP and his departmental heads (DIGs) in supervision and oversight. This should increase accountability, efficiency and effectiveness of the Force.

## **General Administration**

At present, practically all decisions on any issue in the Police Force are made by the IGP. The posting and to an extent, the promotion of police officers, reside with the IGP. Investigative and operational decisions are at his behest if he wishes to be directly involved. This does not augur well for the smooth and efficient administration of the force, as officers are often second guessing themselves against the backdrop of what they perceive would be the IGP's decision or mindset, rather than that of the law.

A lot more authority needs to be delegated in the police force, particularly to the Zonal AIGs and Command

Commissioners. This should be in areas of discipline and promotions (up to a specified rank), finances and logistics. And, they should be held accountable. This should improve the response time of personnel to any complaint and generally improve on the efficacy of the service. The police force also seriously lacks a maintenance culture. The cost in waste is prohibitive.

### **Strength**

The strength of the Nigerian Police Force is about 350,000. The force is therefore grossly undermanned, which goes to its fundamentally weak capacity to execute its mandate. The United Nations ratio of police personnel to population is given as 400:1. With the current police strength, and given that the Nigerian population is put at 180 million, this would average out at about 450,000:1.

But this does not tell the whole story. At least 10% of this strength is support staff – medical, drivers, mechanics, cobblers, tailors and others. Add to this administrative staff and police personnel on ad hoc responsibilities (government houses, agency protections, dignitary protection), and there are few precious personnel to pound the beat. This can only be resolved through increased recruitment or significantly reduced ad hoc responsibilities.

### **Stakeholders**

There is a painful lack of cohesion and coordination between stakeholders in the law enforcement sphere. The only point and time at which some of these agencies meet is at the NSA's office for their weekly Intelligence Community Committee (ICC) or Joint Intelligence Board (JIB) meetings. And this only exists at management level. These meetings are often characterised by directives being handed down and respective participant agencies trying to outdo one another for greater relevance. Rarely thereafter is there any forum or occasion that prompts exchange of intelligence or information, or any form of formalised joint operations. There is thus a need for greater cohesion and intelligence sharing between stakeholders.

### **State Police**

There are two main arguments in favour of State Police. The first is that indigenes (assuming officers would revert to their states of origin) would have better knowledge of the people, locales, the respective cultures and practices and would be much less likely to engage in corrupt practices with their 'own' people. Policing would ultimately be more efficient, effective and community friendly.

The second is funding. At the moment, almost all state governments – to some degree – fund the Police Commands in their states. This mostly goes towards the provision of vehicles, fuel, allowances and refurbishing of quarters. In some instances, and with the permission of the federal government, it has been extended to the purchase of arms and ammunition. The argument, therefore, is if the state governments are already funding the police, the state government should have control over the police.

There are also two main arguments against state police. The first is that it could be ethnically and religiously divisive to the nation. The Nigerian Police Force is a federal agency and should, thus, reflect its federal nature in the deployment of its staff. Certain incidents – herdsmen and farmers disputes or religious crisis – could see law enforcement officers in any one state polarised to the disadvantage of fair and just law enforcement.

The second is that incumbent government would have complete control over the police to the disadvantage of the political opposition. This could lead to a particular person or political party perpetuating themselves in power and willfully ignoring the tenets of democracy.

### **A Vision of Internal Security**

The failure of the Nigerian Police Force to maintain basic internal security in our country should worry us all because it raises the fundamental question of whether we are losing one of the most important characteristics of statehood. This challenge should be a priority issue for the federal government which, for now, is in charge of policing in Nigeria.

While the federal civil service is clearly bloated, the NPF needs at least staff strength of 1.5 million men and women. The federal government needs to make a major investment in strengthening and modernising all aspects of the police force – recruitment, training, standards, and administration. The whole concept of policing in Nigeria needs to be brought into the 21st century. With the necessary political will, this can be achieved. It will be one of the most important achievements that any government can attain.

The question of restructuring and state police, which remains essential, should not delay massive reforms of the NPF as it is currently constituted, as the reformed cadre will still be deployed to states in such a scenario.

---

*The challenges that act as destabilizing forces include corruption, weak administration of*

*justice, eroding ethical standards, inadequate infrastructural and social services delivery, and declining educational standards.*

---

## **PART THREE**

---

**To build a sustainable economic future, Nigeria must now address the aching need for a clear economic vision, situated in a philosophical framework from which economic policy should be derived.**

**Nigeria's massive infrastructure deficit has not only held back national socio-economic growth, its absence has also contributed significantly to the inability of ECOWAS to realise the ambitions and expectations of its founding fathers.**

# Vision 14

---

## BEYOND THE GDP

### **The State of the Nigerian Economy**

IN THE LAST TWO QUARTERS OF 2017, NIGERIA'S ECONOMY TECHNICALLY EXITED A MAJOR RECESSION – THE WORST IN 25 YEARS – on the back of weak growth. Economic growth of 0.55% was achieved in Q2, and the International Monetary Fund predicted that the Nigerian economy will grow by 0.8% in 2017, and 1.9% in 2018. While growth in 2017 was driven by recovering oil prices and agriculture, it was projected as likely to be supported by formal activity in both oil and non-oil sectors in 2018 and 2019. Inflation was down to 16% and forecast as likely to continue to drop in 2018.

While we keep our eyes on the GDP growth numbers, let us also consider another set of statistics. I believe that our challenge of economic growth is located far more in this second set of facts.

Nigeria's GDP per capita, i.e. the average income per person in 2016 was \$2,177 according to IMF. The GDP per capita for South Africa in 2016 was \$5,273, \$3,570 for Indonesia, \$9,502 for Malaysia, and \$8,649 for Brazil. The average GDP per capita in Nigeria over our 57 years of independence is \$1646. These statistics matter for two main reasons.

They matter because they situate our economic growth challenge in the context of our journey as a nation over the past 57 years. Second, they also indicate our growth challenge as a developing country relative to other developing countries that have formally become emerging markets. That challenge must also be viewed relatively to our endowments as a country and the promise that has for decades been attached to those endowments such as population, land, human capital and/or natural resources.

Other statistics that matter for how we meet the challenge of economic growth include our weak generation of 4,000 megawatts of electricity with a population of 180 million people versus South Africa's 40,000 megawatts with a population of 50 million and Brazil's 120,000 megawatts with a population of 210 million. Nigeria's unemployment rate as of the beginning of 2018 was 19%, which means more unemployed people than the 29 million Nigerians without jobs as of Q4 2016 at 14% unemployment. If we disaggregate the job situation down to youth unemployment, we find from the statistics of the National Bureau of Statistics that the unemployment rate for youth aged 15-24 as of late 2017 was 25.2% and 15.4% for the 25-34 year old age group.

**Economic growth is essential for economic development, but economic growth does not necessarily result in development.**

Nigeria's poverty rate is 62%. Our national debt is increasing and we now spend more than 60% of government revenues serving the national debt. Nearly 15 million children of school age are out of school in Nigeria, the highest of such population in the world. Nigeria ranked 152nd out of 188 countries in the Human Development Index of the United Nations Development Program, and 187 out of 189 countries in the World Health Organisation rankings of national health care system. Our population growth rate of 2.7% is outstripping economic growth and 70%-90% of our budget is on recurrent expenditure.

To top it all, the future of oil, on which Nigeria depends for 80% of its total revenue and 90% of its foreign exchange earnings, is bleak. According to David Yager, a noted analyst of the global oil and gas industry, "The current discussion about the future oil is how soon will it be before petroleum becomes a sunset industry. If it isn't already. Flat or falling demand. Carbon taxes electric cars. Renewable energy. Oil has no future ...." This sobering and imminent reality has important implications for Nigeria's political economy.

Five countries already have served notice of target dates regarding their intention to end the sale of gasoline and diesel cars: Norway (2025), Germany and India (2030), France and the UK (2040), and the costs of renewable

energy sources such as wind and solar are increasingly lower than oil, gas and coal<sup>1</sup>.

The point of all these statistics and other information is to situate clearly, based on contemporary trends over time rather than snapshots of current or rosy projections, short-term projections of GDP growth and the real economic growth challenges that confront Nigeria.

### **Economic Growth, Development and Transformation**

To address and overcome these challenges and create a radically different economic future from our past and present, we must understand and apply this understanding to leadership, governance and public policy. The shades of meaning, differences and relationships between economic growth, economic development and economic transformation matter. These are three distinct but related concepts.

Economic growth means a rise in the quantum of goods and services produced in a country (Gross Domestic Product) and a rise in per capita income (GDP per capita). It doesn't matter why or how the national or average individual income rises. Once it does in a given period, the country has achieved economic growth. GDP per capita is calculated from dividing a country's GDP figure by its population, which produces the average income per head. Because the world's economies are broadly classified according to the GDP per capita and because a great majority of countries recorded increased economic growth in the 20th century, the percentage of the world's population living in low-income countries has fallen quickly and markedly over the past three decades<sup>2</sup>.

According to the World Bank's classification of World Economies in 2010, low-income countries are those with a Gross National Income (GNI) of \$1,005. The GNI is basically the GDP per capita but including the goods and services and income produced by nationals both inside and outside the country, while GDP and GDP per capita measure goods, services and average incomes of nationals inside a country of \$1,005. There are 35 countries in this category and they include Ethiopia, Bangladesh, Cambodia, Haiti and Tajikistan.

Lower middle-income countries are those with a GNI per capita of \$1,006-3,975. There are 57 countries in this group, which include Nigeria, Senegal, Sri Lanka and Philippines. Upper middle-income countries are those with GNI per capita of \$3,976-12,275. There are 54 countries in this category, including Gabon, Malaysia, Brazil, Iran and Romania. High-income countries are those with a GNI per capita of \$12,275 and above. There are 70 such countries and they include Australia, France, Japan, Norway, Saudi Arabia, Singapore, Taiwan and the United States.

Economic development, on the other hand, is a much broader concept that focuses on human welfare indices such as life expectancy, access to and quality of healthcare and education and so on. The point for us in Nigeria, as in most countries in sub-Saharan Africa, is that this is where our greatest challenge lies. This reality is also quite apparent from the statistics I cited earlier.

Nigeria has witnessed periods of relatively high GDP growth, as in the period between 2006 and 2014, when GDP ranged from 4 per cent to a high 11 per cent in 2010. But the average GDP growth rate between 2010 and 2017 has been a low 1.7 per cent.

Economic growth is essential for economic development, but economic growth does not necessarily result in development. Often, as in Nigeria, this will be the case where the gains of economic growth are in the hands of a small and wealthy elite, and growth is therefore not inclusive. The economic growth and development link may also be broken or not exist where, as in Nigeria and several oil-rich countries in Africa, growth occurs from extractive industries that are not value-added, the prices of which are subject to wild fluctuations from external factors and the economy is not structurally on a sound foundation of endogenous productivity. This is the fundamental problem with the 'Africa Rising' narrative. The Africa Rising fad was based on a rapid rise in GDP growth rates in commodity-rich African countries during the 2000s, but this so-called rise was based on a false foundation because it was not anchored on any structural shift or transformation<sup>3</sup>. Today, with the end of the commodity super-cycle, we know better. Countries like ours are lying prostrate.

To illustrate, during the 2000s Equatorial Guinea became famous among conventional economists as the fastest growing economy in the world with economic growth rates of up to 25%. Owing to the country's small population, its GDP per capita rose rapidly in tandem with its crude oil fortunes. But Equatorial Guinea has not achieved any economic development, let alone economic transformation. Life expectancy in that country still stands at 50 years and less than half of its primary school-aged children are enrolled in school. In Hungary, 90 per cent of school aged children are enrolled in schools.

We now come to the matter of economic transformation. Economic transformation occurs when the economic structure of a country shifts from rural subsistence agriculture or exports of raw commodities that may provide easy income to the government, when the global market is favourable, to broad-based manufacturing or services that provides more and higher-paying jobs. This should be the ambition of Nigeria's economic policy. This is not necessarily the same thing as the much-touted 'diversification' of the economy that we have heard succeeding governments and speak of for over 40 years. Diversification could also mean 'diversifying' away from crude oil to a

new reliance on any other of the many raw solid minerals that also abound in Nigeria, or to ‘diversify’ the country’s fiscal revenue base by exporting raw cashew nuts.

**Nigeria’s poverty rate is 62%. Our national debt is increasing, and we now spend more than 60% of government revenues serving the national debt.**

Economic transformation is a different order of things. It is a process that is built on the back of strategic thinking and disciplined execution such as has been achieved by China and several East Asian economies whose experiences we will review shortly. It is purposed; it is not an accident or a state of achievement that can be stumbled upon. Economic transformation seeks to transfer millions of citizens from poverty into the middle-class. It is often achieved by altering the availability and deployment of factors of production such as land, capital and labour, and through the application of productive knowledge in innovation and the competitive manufacture and export of complex, value-added products. Ethiopia is one of the very few African countries that is consciously pursuing a policy of achieving economic transformation beyond GDP growth rates.

### **The Vision**

My vision for our country is one in which its economic management comes to terms with this conceptual understanding of the difference between economic growth, development and transformation. It is only on the basis of such conceptual clarity that we can manage our economy for real progress.

What is required now is to decide the economic growth paths that will lead to development and structural transformation. These paths include job creation, innovation, industrialisation, the development of vocational and technological skills through education reform and entrepreneurship.

But first, a national philosophy and a vision based on it must be developed.

---

*The point of all these statistics and other information is to situate clearly, based on contemporary trends over time rather than snapshots of current or rosy projections short-term projections of GDP growth, the real economic growth challenges that confront Nigeria.*

---

---

1 Ion Yadigaroglu, “Here’s Why Oil’s Future Is Grim”, [www.cnbc.com](http://www.cnbc.com), August 23, 2017

2 Dwight Perkins, Steven Radelet, David Lindauer, and Steven Block, *Economics of Development* (W.W. Norton & Company, 2013), Chapter 1.

3 Kingsley Chiedu Moghalu, *Emerging Africa: How the Global Economy’s ‘Last Frontier’ Can Prosper and Matter* (London: Penguin Books, 2014), Chapter 1.

# Vision 15

---

## A PHILOSOPHICAL FOUNDATION OF ECONOMIC GROWTH

NIGERIA HAS FAILED TO ACHIEVE HIGH-QUALITY ECONOMIC GROWTH BECAUSE THE COUNTRY'S ECONOMY IS MANAGED MOSTLY ON an ad-hoc, reactive basis. It is a 'survival' economy in which most governments that held political power have had no real economic vision or a strategy to execute such a vision successfully. Most damaging there is little interrogation of either received wisdom based on global economic policy 'fashions' or of the country's own policy assumptions that have been long on populism and short on substance.

### **A National Vision of the Economy**

To build a sustainable economic future, Nigeria must now address the aching need for a clear economic vision situated in a philosophical framework from which economic policies should be derived. Nigeria's economic policy has not undertaken this kind of self-examination since General Ibrahim Babangida's military government introduced the International Monetary Fund and World Bank – inspired Structural Adjustment Program (SAP) in 1986.

The wealth of nations always has philosophical foundations. It is these fundamental understandings and how we understand and apply them, rather managing our economy with no particular lodestar or compass, that makes the difference between growth and stagnation.

The vision thing matters because it sets out a national ambition to transform the economic structure and the lives of citizens against the canvass of both the medium and long term and a clear destination.

It matters because, if communicated effectively, a national economic vision can galvanize citizens to work towards a shared goal, which builds national cohesion and wealth. A national economic vision anchored in a discernible economic philosophy makes policies derived from it more robust by imbuing such policies with internal consistency. And clarity of vision also matters because different and competing economic visions exist and have delivered prosperity to different parts of the world.

**I believe that Nigeria should return to the model of a market-driven developmental state, not as statist as its economy was in the 1960s and 70s, but certainly not a laissez-faire extreme capitalist economy.**

Economic planning was a feature of economic management in pre- and post-independent Nigeria, and even in the military regime of Gen. Yakubu Gowon. This approach of development plans contributed positively to the march towards economic development. They were based on a 'mixed economy' vision with a strong role for the states-a developmental state of sorts. But it was subsequently abandoned after Gowon was overthrown.

The military dictator, Sani Abacha, commissioned the development of a "Vision 2010". Democratically elected President Yar'Adua had his Vision 2020 while President Goodluck Jonathan came up with a Transformation Agenda. But these documents, while worthy efforts, lacked a foundational worldview and any grand, unifying vision. Moreover, the 'visions' were not embedded in the structures of governance and were not executed with consistency and discipline, with targets and milestones measured constantly against implementation.

The fundamental conundrum is that of getting right the balance between the role of the state and the market in the quest for sustainable economic growth and development. As the French poet Paul Valery once wrote, "If the state is too strong, it will crush us, if it is too weak, we shall perish". Resolving this tension isn't easy. Nigeria has not yet got it right. We once had an economy in which the state stood at the commanding heights. In later years, however, the economy was increasingly liberalised.

The problem we have today is not that the economy was liberalised. The problem that continues to challenge our economic development path is that, first, liberalisation happened without the necessary foundations for prosperity in

a liberal capitalist economy because we moved into financial liberalisation without achieving the required minimum threshold of industrialisation – which is what drives economic transformation. As a result, finance does not play the optimal role it should in economic development in Nigeria and the three factors of production – land, capital, and labor are out of synchronisation in our economy.

The second dimension of this problem is that the state is confused about its role in the economy. In various epochs we have observed the Federal Government of Nigeria as both “business and private enterprise friendly”. The result, however, was cronyism and a ‘subordinate state’ in which economic policy was effectively controlled by private sector oligarchs in the service of vested interests.

In another scenario we have seen the federal government perceived as statist in ‘body language’, and orientation, but nevertheless corruption and cronyism have similarly thrived, but perhaps only in a smaller circle. Moreover, there exists little capacity and the knowledge base to run a capable state-driven economy.

There is no question that the state has a key role to play, but the extent to which this role is played is what differentiates several economies even in the mature industrialised countries. In the concept of the ‘night-watchman state’ governments are to allow the private sector to allocate resources and simply play a ‘watchful’ regulatory role. In the ‘developmental state’ model, government policy drives the direction in which the market allocates resources.

I believe that Nigeria should return to the model of a market-driven developmental state, not as statist as its economy was in the 1960s and 70s, but certainly not a *laissez-faire* extreme capitalist economy. The latter is an intellectual fallacy because even the countries that preach it have never practiced it in its pure form. The state still plays a significant role in several western economies.

The challenge Nigeria faces is that, a developmental state requires very strong leadership vision, political will, and a deep bench of intellectual and technocratic competence in economic management. This is lacking in the governance of Nigeria today.

### **Capitalism, Which Capitalism?**

We also do not have sufficient intellectual understanding and interrogation of capitalist economics. We are attempting to achieve development with a market based-economy but have paid insufficient attention to understanding how to unleash the three requirements for successful capitalism – property rights, innovation and, of course, capital. The result, as we see in the Nigerian economy today, is a high degree of poverty for a majority and the concentration of a capitalist wealth in the hands of very few.

Nigerian economic policy also has not interrogated the different shades of capitalism – entrepreneurial capitalism, welfare capitalism, state capitalism, and crony capitalism – and made any conscious policy decisions on which one/s to adopt or adapt. In order for a country as big and populated as Nigeria to grow, this level of engagement must take place.

Capitalism is not just an economic system, in the sense that investment in, and ownership of how we produce, distribute and exchange wealth is vested in the hands of private individuals and companies, and that prices are determined in the marketplace. Capitalism is also an economic philosophy because it is based, at least in its purest form, on individual rights. This economic system and its markets have faced many criticisms, several of them valid. But it is beyond dispute, and is supported by empirical evidence, that capitalism remains the greatest creator of wealth and progress the world has seen. It has lifted billions out of poverty around the world, including some 600 million people in China, as well in India, Brazil and South Korea.

This is possible only because capitalism is an economic system that largely appeals to basic human instincts such as competitiveness, and thus to the differences in the abilities of individuals. This is why it has been so enduring, roundly defeating communism which collapsed in the Soviet Union and Eastern Europe under the weight of its own contradictions. Yes, capitalism is imperfect, and we will discuss its imperfections shortly. But it remains, to paraphrase Winston Churchill’s famous quote about democracy as a political system, the worst economic system except for all the others!

The question for Nigeria is whether capitalism can achieve for its 180 million people what it has done in the western world, Asia and parts of Latin America? As we have seen, given that trickle-down, neo-liberal market policies in Nigeria have yet to make any real dent on poverty. We cannot blithely assume that capitalism will create national wealth for Nigeria except our leaders approach it not with hostility, but from a worldview standpoint that interrogates the concept and bends it to our unique national objectives.

### ***State Capitalism***

Nigeria needs to make a clear, conscious choice between four types of capitalism or combinations from among them. These are state capitalism, welfare capitalism, crony capitalism, and entrepreneurial capitalism. State capitalism, with China as its leading light, is a variant of capitalism in which state spending heavily drives growth, and the private sector creates wealth but is not just regulated by the state, but rather is strategically directed by the

government as agents of overarching state strategy. State capitalism presumes a state with high level of bureaucratic and high-level decision making and execution capacity.

Can Nigeria adopt this system of capitalism? It would not work here, certainly not in the pure Chinese form. Nigeria lacks the internal cohesion, discipline and organisational and technological skills of the Chinese society. However, despite what looks like a level of uniqueness that makes it hard to replicate in Africa, we cannot dismiss the hardness of state capitalism, elements of which are practiced in softer forms in several countries including some that we would find surprising. It therefore remains a strategic threat, in the countries that have the state capacity to adopt and adapt it, to the liberal capitalism whose legitimacy was dealt a heavy blow by the global financial crisis of 2008.

State owned companies continue to play a surprisingly dominant role in industrialised western countries, despite the philosophical penchant for privatisation and deregulation that began in the 1980s. The French government has an 85 per cent stake in Electricite de France, the country's main power company, Japan's owns 50 per cent of Japan Tobacco, and the German government owns 32 per cent of Deutsche Telekom. According to the news magazine *The Economist*, state owned companies in the Organisation for Economic Cooperation and Development (OECD) countries had a combined value of \$2 trillion and employed 6 million people as of 2012.

Some emerging markets have developed sophisticated forms of state capitalism, using the corporate form of organisation in modern corporations to drive their phenomenal growth. They have selectively reduced the direct role of the state in unproductive enterprises while retaining it in businesses with strategic significance. Having learnt lessons from the failures of communism and socialism, state capitalism in some countries takes the form Nigeria would hardly recognise when compared with the direct, heavy (and virtually always unprofitable!) hand of the state in our 'Government parastatals'. In China, Russia, Malaysia, Thailand, Saudi Arabia and in the Arab Gulf countries, many state-owned enterprises no longer report to government ministries. The government controls them only through significant shareholdings while allowing these firms to be run on a competitive basis as 'national champions' that must nevertheless meet merciless efficiency and profit targets.

This is the only manner in which state capitalism could conceivably work in Nigeria. But that is only if a culture of mediocrity, ethnic irredentism, corruption and political patronage reward systems that progressively killed Nigeria's public enterprises can possibly be overcome. This analysis is relevant most explicitly to the policy options facing the Nigerian government in the reform of the Nigerian National Petroleum Corporation (NNPC) through the commercialisation or privatisation of its refineries and other operations, as well as the removal of fuel subsidy.

State capitalism certainly brings up the need for a more original approach to economic philosophy and economic reform in Nigeria, utilising our traditional value systems and perspectives on which business and the economy can be run. And, it has implications for the commercial competitiveness of Nigerian companies because the state-owned enterprises of the Asian economies enjoy the full advantages of that strategic support while running as commercial enterprises in the core sense of the term. Nigerian companies, on the other hand, make their way in the world without similar strategic state backing, making their road rougher.

### ***Welfare Capitalism***

Welfare capitalism is an effort to balance the worst tendencies of the free market, which often create monopolies, oligopolies and exclusion as large parts of society fail to benefit from wealth creation. In welfare capitalism, businesses and the state seek to smoothen out the free market's rough edges by creating minimum entitlements for workers in a capitalist economy. These entitlements may also be negotiated with labour unions. They may include social housing, healthcare or free education at various levels as was the case in several African countries in the 1950s and the 1960s. In European countries such as Finland and Switzerland, this has meant social security to meet the needs of workers in their retirement years as in the United States, or unemployment benefits – "welfare" in the US, or 'the dole' in Britain.

The two main forms of welfare capitalism – social incentives provided by companies for their workers, which is in decline today, and those provided by governments for a wider range of citizens, which gained ascendance in the years after World War II – aim to provide social safety nets that are seen as necessary for social, economic and political stability in capitalist societies. But welfare capitalism is expensive, and therefore controversial. There are questions about how effectively it benefits the really poor. It is a huge liability on government resources, and in the Nordic countries of Europe, welfare capitalism is funded in part – and sustained – by very high levels of income taxation. It can be constrained by factors such as uncontrolled population growth and inefficient management of public finances, including the inability to effectively generate public revenue and economic growth because these are what economists call 'exhaustive transfers' rather than investment and corruption.

Welfare capitalism has faced difficulties even in Europe and the United States. These difficulties stem from a wide perception that welfare capitalism reduces competitiveness in today's world economy by focusing on basic entitlements while the skills and productivity of welfare-state workers decline in the face of competitive innovation

that is the real source of wealth in all industrial societies. In the United States, elements of the welfare state such as healthcare reform and social security have also become a lightning rod for bitter political divisions over the size and role of government versus free enterprise in a capitalist economy. When Americans woke up some years ago to discover that 31 per cent of government revenues was being spent on social security and only 2 per cent on education, it was clear that reform had become necessary.

Whatever form of capitalism Nigeria might choose to follow in the years ahead, a restricted element of welfare capitalism is necessary. The real question is the scope, which should be narrow, and the timing, which should be realistic. Any interpretation of capitalism that expunges an appropriate role for the government and relies solely on market forces is doomed to fail as a path to development, for development must be measured in terms of living standards and not just consumerism or economic growth statistics. Besides, the absence of a social safety net in Nigeria is part of a corresponding absence of a social contract between the state and its citizens, and is a contributing factor to the reluctance to pay taxes as well as to corruption.

### ***Oligarchic Capitalism***

Oligarchic or crony capitalism has been dominant in Nigeria since the return of democratic rule in 1999. It is the Russian model, in which a few men called oligarchs control most of the country's economy because they obtained ownership of large portions of the wealth of the industries of the former Soviet Union by questionable means as communism went into its death throes. The economic power of the oligarchs is sustained by their connections with governments. Crony capitalism took root in Nigeria not just because of the wave of privatisations that took place in the country over the past three decades, which were broadly necessary because of the failure of state enterprises, but especially because of how several of the privatisations were undertaken.

While crony capitalism could conceivably be utilised by a very strategic government in Nigeria to create huge conglomerates that are national champions in interlocking areas of manufacturing and the real economy, it has in fact encouraged political corruption and rent-seeking behaviour by the private sector.

### ***Entrepreneurial Capitalism***

A final model of capitalism is what has been described as entrepreneurial or small-firm capitalism. Here, many small firms founded by individuals dominate the economic landscape. This is the secret behind the economic success of the United States. But entrepreneurial capitalism on its own cannot realise an economy's full potential. As in the US, it must form part of a larger business landscape with numerous large firms. What's more? To take an economy to its full potential, this model must be predicated on innovation.

This would be a viable model of capitalism for Nigeria's current stage of development, largely because it is the modern version of what could be termed the subsistence capitalism that was prevalent in pre-colonial Nigerian society, but commercialised innovation is still lacking in the continent. It would be viable because it would build on what we have on the ground at present. Approximately 90% of businesses in Nigeria are small and medium enterprises which, as a result of the weakness of essential economic structures such as taxation and inclusive financial systems and low literacy levels, mainly remain outside the formal economy and dominate a thriving informal economy. Entrepreneurial capitalism also keys into something that is unique to our society: the historical role of women in our marketplace.

### ***The Limits of Capitalism***

Inequality is inherent in free market societies and is a core aspect of capitalism. It is also the greatest threat to the legitimacy of market-based economies. While the very nature of free markets means that not everyone will, or can, be equally prosperous, a system that spawns a plutocracy of islands of wealth amidst seas of poverty may be unsustainable because it can lead to a breakdown of social order. This is where the role of public policy and regulations comes in, and is why inclusive economic growth matters.

This is why the periodic redistribution of wealth has also become a part of the fabric of capitalism, and indeed is necessary if free markets are to be saved and maintained. The Great Depression and the New Deal that followed that period in the US; the recent global financial crisis and the bailouts that sought to prevent social upheaval by saving major global corporations such as General Motors; and the bail out of banking systems in much of the Western world (and in Nigeria!) after extreme greed led many banks to ruin (a classic privatisation of profit and a socialisation of losses) are all pointers to why Nigeria should give deeper thought to the rise of the free market even as it remains the path to wealth creation in our country. Understanding and determining the limits of markets is important for Nigeria, and this is a worldview and public policy question that we must confront. As former US President Bill Clinton once asked, "How do we change course, to merge social and economic progress?" Then there is the major matter of a supposed 'invisible hand' that, according to the capitalist economic philosopher Adam Smith, regulates markets and imbues them with efficiency. This is a central tenet of laissez-faire capitalism and has been used to demonstrate the

appeal and superiority of free markets and to resist regulation. If this were true, periodic cycles of boom and bust, which has been a major feature of capitalism, would not exist. The great Austrian-American economist Joseph Schumpeter called this process ‘creative destruction’, and predicted that it would lead to capitalism’s demise.

The problem with the invisible hand is that there is, in fact, nothing of the sort. This does not detract from the position that, despite its imperfections, capitalism remains a superior form of economic organisation. As the economist Jagdish Baghwati and other scholars have been quick to observe, all economic systems known to man rely on morally questionable foundations. Capitalism relies on the instincts of selfishness, greed and vanity, and communism on coercion. The absence of the presumed invisible hand is a problem that is in fact part of the very fabric of free markets and has been demonstrated by various studies and scholars. A study by the US academics Hendrik Van den Berg and Mathew Van den Berg found that the percentage of human economic interactions that take place in truly competitive markets is less than 20 per cent. “The invisible hand”, the study concluded, “is a myth; there are not enough markets”.

**Our worldview task as the Nigerian nation is to create the fundamentals that comprise these three elements before we can reap the real benefits of a market economy.**

All of this is a pointer to the centrality of regulation and the role of the government in managing the free market, determining what type of markets should exist within the domain of its political authority, the purpose for which those markets exist, and setting the limits of acceptable behaviour. This approach is what makes capitalism worthwhile. In other words, markets, whatever the type, must serve societal priorities and not the reverse. In order to do so, a capitalist system should be able to evolve and adapt to changing conditions.

### **How Capitalism Creates Wealth**

Although we have embraced free markets since the SAP, this embrace is unlikely to lead to transformative growth if the fundamentals of how capitalism creates wealth are not addressed as a matter of public policy. As the Peruvian scholar Hernando de Soto has noted, these first principles, without which no nation can truly prosper, are innovation, which we have discussed earlier, property rights, and finance and financial markets. None of these fundamental factors is present to any significant extent in Nigeria. Innovation is neither systematised nor commercialised. Property rights are weak, with land ultimately belonging to the state and trapping a key resource that needs to be put to work to create wealth. And capital is still not present in the quantity, and more importantly, forms and cost at which it can foster a truly productive economy. Our worldview task as the Nigerian nation is to create the fundamentals that comprise these three elements before we can reap the real benefits of a market economy.

Other fundamental obstacles to the success of Nigeria’s capitalist economy include deficits of infrastructure, a difficult environment for doing business in terms of cumbersome processes and formalities, as well as governance and regulatory reforms. Nigeria has made real progress in regulatory reform since 1999. Effective regulation is vital for a truly functioning free market because, as Raghuram Rajan and Luigi Zingales have argued in their book *Saving Capitalism from the Capitalists*, ‘incumbent industrialists’ have historically sought to protect their wealth, power and other advantages by rigging the supposedly ‘free market’. This challenge remains with us.

Raging corruption is another aspect of weak governance of business environments. Whether a businessman or woman must pay a bribe to obtain a permit or secure a government contract, corruption distorts the business environment by creating unfair advantage and making the business space truly uncompetitive. This is a global phenomenon and so is by no means limited to Nigeria. But it poses a fundamental problem for our country because corruption has prevented the real take-off, let alone development of free markets. A major part of the problem is the role of the government as the main source of business. Government in Nigeria must combine building strong regulatory capacity with supervising their own exit from several areas of the economy, while creating a level-playing field for private sector players and maximising the State’s revenue generation from private sector-led economic activity.

### **The Strategic Bottom Line**

Nigeria needs to undertake careful study and introspection backed by effective public policy, in order to arrive at models of capitalism that will work for it. Such models must encompass an appropriate role for the State in terms of enabling policy environments, regulation, and a balance between free enterprise and wider societal objectives.

Most importantly, it must ask what the ultimate objectives of economic policy are. Is it double-digit growth, which by far has not tackled widespread poverty? Or is to ensure that growth is not pursued merely for its own sake, but rather ought to be based on stronger fundamentals such as job creation? If that is the case, the strategy to be adopted in developing Nigeria’s private sector is the one (or the ones) that ultimately creates jobs and growth that

outpace our demographics. In that case, it seems logical that of all the variants of capitalism discussed above, entrepreneurial capitalism would be best for Nigeria. This appears to fit most into the prevailing historical and cultural mode of production and commerce in our country. Since that model will give more people direct opportunity for expansion and inclusion, the logic points in its direction as the one that will create the most jobs and spread the wealth around, assuring longer-term societal stability.

The Nigerian government's role in what should be a modified developmental state is to create appropriate incentives for transformational economic activities in areas such as manufacturing and entrepreneurship through venture capital, direct engagement of labour for public infrastructure for works and sanitation, all of which create jobs. But the government cannot, and should not, replace the role of the marketplace.

### **The Vision**

My vision for Nigeria's economy is one in which the government creates the right conditions for economic development, but does not attempt to perform the function of markets in a market economy. For this to happen, economic philosophy and its application to Nigeria's political economy must be the foundational basis of economic policy. This means electing leaders with the right skill sets in these areas, which when combined with the authority of political leadership, can guide the management of Nigeria's economy in a more strategic fashion. Beyond this, certain specific actions must be taken to set Nigeria's economy free from the vice-grip of the incompetent and meddlesome state:

The Land Use Act should be abolished. Doing so will help improve access to capital in the economic system because freehold land ownership will provide additional levels of collateral for bank or other forms of borrowing to start businesses. The law has outlived its usefulness and creates bureaucratic bottlenecks in the economy, especially in the area of investment

From 2019, the Federal Government of Nigeria should establish a concrete economic diversification plan with a concrete path to a post-oil future for Nigeria, based on emerging global trends. This plan, akin to the Saudi Arabian government's economic diversification plan, should include a clear strategy with interlinked policies – trade, industrial, fiscal – and include partial privatisation of the Nigerian National Petroleum Corporation (with share listed on the Nigerian stock exchange for purchase by ordinary Nigerians and not by government-related cronies). In doing so, the interests of local communities in oil-producing regions must be protected – for example, by ensuring a set-aside in private ownership of the NNPC by members of the communities in the oil-producing regions.

---

*The question for Nigeria is whether capitalism can achieve for its 180 million people what it has done in the Western world, Asia and parts of Latin America.*

---

# Vision 16

---

## ASIAN LESSONS

MUCH HAS BEEN WRITTEN AND SAID OF THE 'EAST ASIAN ECONOMIC MIRACLE'. WHILE NO TWO SITUATIONS ARE EVER IDENTICAL, the ability of several Asian countries to achieve economic development and transformation in a relatively short span of three to four decades holds important lessons for Nigeria. These lessons reinforce the point made earlier about the importance of a conceptually clear and rigorous approach to economic growth and development.

The role of the state and public policy and its interaction with the private sector in these countries was remarkable. Here it is important to identify two sets of East Asian countries based on their respective approaches to economic growth and the outcomes in terms of performance. The first set of countries, which generally performed better, were Japan, Korea, Taiwan, and China. The second set is the Southeast countries of Indonesia, Thailand, and Malaysia. Of the latter three countries, Malaysia is furthest ahead in terms of development, but all three are nevertheless well ahead of Nigeria in their economic performance.

In the countries of Northeast Asia, the state correctly played the necessary policy roles that provided the foundation for their eventual economic growth, transformation, and global economic dominance. This happened through three critical interventions. The first intervention was in agriculture, the second was in manufacturing, and the third was in the area of finance.

In Japan, Korea, Taiwan, and China after World War II, agriculture was restructured as highly intensive household farming, accompanied by a radical redistribution of agricultural land. As Joe Studwell explains<sup>1</sup>, this made use of all the available labour in the economy and pushed up yields and output to a very high level. The second intervention was to direct investment and entrepreneurs to manufacturing. This was effectively the second stage of the East Asian transformation because manufacturing best absorbs the skills of any developing country when workers begin to move away from agriculture as the latter becomes more industrialised, as opposed to mere farming or "gardening".

In particular, the Northeast Asian governments promoted the improvement of manufacturing technology by providing subsidies to manufacturers. But these subsidies could only be obtained by manufacturers that met specific export targets! This 'export discipline' was the key to the East Asian miracle because, 1) it prevented an abuse of subsidies, and 2) it drove East Asian firms to global competitiveness and even dominance. In Nigeria, in comparison, governments subsidise consumption (fuel subsidies, fixed exchange rates) instead of production. Moreover, companies that enjoy any form of state support (even tax holidays) are not held to standards of performance and accountability.

The third intervention was in the area of finance, which was directed to support small-scale agriculture and manufacturing. In order to achieve high yields from small-scale farming and promote the acquisition of manufacturing technology skills. In Japan, Korea, Taiwan, and China, financial systems were kept under close supervision and international capital flows were controlled until these economies reached an appropriate level of advancement. The lesson here, then, is not that liberalisation is necessarily bad. It is the timing of its policy execution and the prior foundations that were laid that is the point.

In the countries under review here, only manufacturing companies that could prove they had secured export orders were able to obtain credit from the banking system, and the lending banks viewed export performance as an indication of the creditworthiness of borrowing firms. In order to cover the subsidies to agriculture and manufacturing, banks paid interest on bank deposits that were below market rates. This was possible partly because East Asian people tend to have high savings rates.

In contrast, the countries of Southeast Asia made some policy errors in the role of the state in their process of development. Thus, while they are today well ahead of Nigeria in their development trajectory, they nevertheless lagged behind the 'first wave' of the East Asian miracle symbolised by Northeast Asian countries of Japan, Korea, Taiwan, and China. This is one of the reasons why the Asian financial crisis in the late 1990s hit Thailand, Indonesia, and Malaysia particularly hard, with massive currency depreciation, inflation, and slowed growth.

While the Northeast Asian countries essentially bulletproofed their economies with the reforms and strategies in agriculture, manufacturing and finance indicated above, thus permanently transitioning out of poverty, Southeast Asia did not fundamentally reform agricultural and land policy, failed to create globally competitive manufacturing firms, and liberalised their financial systems prematurely.

As Studwell states in his book:

South-east Asia states then made their developmental prospects even worse by following rich-country advice to deregulate banking, to open up financial markets, and to lift capital controls. The same advice had been proffered to Japan, Korea, Taiwan, and China in the early stages of their development but they sensibly resisted for as long as possible. Premature financial deregulation in South-east Asia led to a proliferation of family-controlled banks which did nothing to support export-oriented manufacturing and which indulged in vast amounts of illegal related-party lending. It was a story of banks being captured by narrow, private sector interest whose aims were completely unaligned with those of national economic development...This analysis can be transposed 100% to Nigeria's banking sector, at least at a certain stage in its development.

We should be careful not to draw the wrong lessons from the East Asian experience I recounted above. That experience occurred at a point in the evolution of the global economic environment that is very different from today. I do not suggest that having perhaps liberalised our financial and economic systems prematurely under the policy influence of the Washington Consensus, Nigeria should therefore return to state control of banking. In any case, the Structural Adjustment Program became inevitable because we relied heavily on one commodity, crude oil, and had not attained a sufficient stage in industrialisation before the collapse in the oil price in the early 1980s made the system of a mixed economy unsustainable. It also is open to debate whether the problems associated with the SAP, such as its impact of deindustrialisation in favor of financialisation, arose from its internal conceptual weaknesses in assuming that the laissez-faire theories favoured by the Bretton Woods institutions were applicable in every situation, or because we did not have the political will and discipline to go far enough in the reforms and thus ultimately succumbed to economic populism.

**We should be careful not to draw the wrong lessons from the East Asian experience I recounted above. That experience occurred at a point in the evolution of the global economic environment that is very different from today.**

The whole point of the Asian development experience is to understand that even in a capitalist context, the state has a very important role to play in economic growth, development, and transformation in terms of its directional strategy and policy. What the specifics of those strategies and policies are will depend on the national context. Whatever the case may be, the guiding hand of the state must be at the wheel.

This means that political leaders and the governments they lead must have the vision, combined with intellectual and public policy, and the political will to drive economic growth. Although Malaysia was initially a laggard in East Asia, between the 1908s and the first decade of this millennium, the country nevertheless made remarkable progress under the vision and leadership of Dr. Mahathir Mohammed, its Prime Minister from 1981 to 2003. His eclectic engagement with globalisation, not rejecting the phenomenon outright but pushing ahead with a nationalistic vision of development enabled his country to recover faster from the Asian financial crisis of 1997 than other Southeast Asian countries.

Indonesia and Thailand have made significant strides. Indonesia has the largest economy in Southeast Asia with a nominal GDP of \$932, 448 billion in 2016. But, just like Nigeria, it has a relatively low nominal GDP per capita with average income per person of \$3,604 in 2016. This is below the global average. Unlike Nigeria, however, Indonesia has achieved a relatively more consistent economic growth over the past three decades, with reduced output volatility and relatively stable inflation.

The Southeast Asian giant's progress has been due mainly to competent government policy, a young and growing labor force, and a sustained effective process of diversification away from natural resources (chiefly crude oil)<sup>2</sup>. The country has followed a consistent path to industrialisation over the past 50 years unlike Nigeria, following oil price shocks of the 1970s and the 1980s. Agriculture's shares of exports declined steadily between 1971 and the 1990s, and manufacturing exports increased from a low share of 2% of total exports in 1980 to 46% in 1993.

Unlike most of its comparative nations in Southeast Asia, however, the growth of manufacturing in Indonesia has been based mainly on agriculture – food, tobacco, and textiles – rather than on more complex products. In this there is a parallel of a similar, equally less ambitious opportunity for Nigeria to transition from subsistence agriculture into agriculture-based industrialisation, given the attributes of Nigeria's economy in which agriculture accounts for 33%

of its GDP. Indonesia and Nigeria also have large population sizes, with 261 million people in Indonesia and 181 million people in Nigeria.

Overall, Indonesia's economic growth outlook remains positive. With GDP growth of 5% in 2016, it was the highest growing large emerging market according to the IMF. The country has continued with important economic reforms, most important of which are reducing the layers of government regulation, opening new areas of the economy to private investment, expanding investment in public infrastructure and expanding tax collection and broadening the tax base<sup>3</sup>.

Like Nigeria, Indonesia's youthful workforce can be one of the country's most powerful drivers of economic growth if productivity can be strengthened through the creation of a more skilled workforce.

An interesting lesson from Indonesia is the role of an influential group of economic technocrats nicknamed the 'Berkeley Mafia'. These Indonesian economists were trained at the Faculty of Economics of the University of Indonesia and earned graduate degrees at the University of California at Berkeley. Under the reign of General Suharto as military President of Indonesia from 1968, Suharto gave prominent economic cabinet posts, in the late 1960s and 1980s, to these economists, who pursued liberal economic reforms that successfully stabilised the Indonesian economy. The country's inflation rate, for example, fell from 650% in 1966 to 13% in 1969. Despite their success, the Berkeley Mafia encountered fierce political opposition from economic nationalists in the 1970s in the wake of the oil boom, and again in the 1980s after their reforms revived Indonesia's economy after the oil prices dropped. President Suharto's decision on both occasions to side with the economic nationalists after seeking out and bringing in the Berkeley Mafia led to the decline of the group's influence and to their removal from the Indonesian government during Indonesia's economic collapse induced by the Southeast Asian financial crisis in 1997.

---

***The Southeast Asian giant's progress has been due mainly to competent government policy, a young and growing labor force, and a sustained effective process of diversification away from natural resources (chiefly crude oil)***

---

---

1 Joe Studwell, *How Asia Works: Success and Failure in the World's Most Dynamic Region* (New York: Grove Press, 2013), Introduction.

2 Stephen Elias and Clair Noone, "The Growth and Development of the Indonesian Economy", *Reserve Bank of Australia Bulletin*, December Quarter 2011

3 Indonesia: Resilient Economy Can Benefit From Stronger Reforms", International Monetary Fund, February 3, 2017, [www.imf.org/en/News/Articles/2017/02/03/NA020317](http://www.imf.org/en/News/Articles/2017/02/03/NA020317)

# Vision 17

---

## INCLUSIVE GROWTH (WITHJOBS)

THE GREATEST POLICY CHALLENGE TO QUALITATIVE ECONOMIC GROWTH IN NIGERIA IS HOW TO ENSURE INCLUSIVE GROWTH, WHICH includes creating jobs for the 30 million unemployed Nigerians and the estimated 3 million people who enter the Nigerian job market every year. We will first discuss how to achieve inclusive growth more broadly, then how to create jobs, followed by a discussion of innovation and human capital as a path to economic growth.

### **Inclusive Growth**

The term ‘inclusive growth’ has become a buzz word of development economics and political economy. As the UNDP so pithily puts it, “when you ask five economists to define the subject, you will likely end up with six answers”. But it is clear that inclusive growth is growth that is broad-based across different segments of the society and sectors of the economy. It will include a large part of the country’s labour force and create productive employment. Inclusive economic growth emphasises equality of opportunity in terms of access to markets, employment, resources, and a regulatory environment that provides a level playing field. While it is one in which the poor are not left out or left behind, it seeks that outcome by creating productive employment and a steady increase in the *productivity* of labour, which is what creates wealth, in raising the income levels of excluded groups. This is different from direct income redistribution

Inclusive growth is Nigeria’s central economic challenge. Market-led economic growth is the dominant paradigm of economies in the world today, and rightly so because it has been the most effective path to reducing poverty, creating wealth, and achieving transformation. But its Achilles heel is always this nagging question of growth that excludes large numbers who do not have access to the opportunity for productive employment and entrepreneurship.

This matters for two reasons. First, non-inclusive growth, especially in countries such as ours that have not even taken off on a trajectory of production-driven growth, cannot achieve real development and transformation. Western countries can grapple with the 1 per cent problem, but their economies have long been structurally sound. These economies are based on innovation, industrial production, and the exports of competitive goods; and thus create jobs. Second, non-inclusive growth builds up a bottleneck of exclusion that, long term, destabilises the security and sustainability of the social order. Again, this is why, despite the importance of social safety nets in every society, exhaustive transfers to the unemployed, and rather than creating jobs for them, cannot solve the problem. Without creating a broad-based pattern of growth based on productive employment that grows both the GDP and the GDP per capita, exhaustive transfers may have populist appeal but will not be sustainable.

How can we create inclusive growth in Nigeria? The answer lies in a combination of approaches that includes (a) conceptual clarity as a point of departure, (b) rural-based economic growth, (c) infrastructure provision, (d) creating a social contract, (e) the role of business, (f) human capital development, (g) economic diversification, (h) financial inclusion, and (i) effective political leadership. We have already dealt with conceptual clarity. Orthodox definitions of economic transformation emphasize urban-based economic production, creating an “urban bias” in classical economic thinking. But, especially in a populous country such as ours, we need to begin to develop rural based economies. Cities such as Lagos, Kano, Aba and Onitsha are choked. Economic activity is trapped in these cities, but 53 per cent of our population live in rural areas. Decentralized economic growth, especially based on value-added agriculture and industrial manufacturing, will create more jobs and boost inclusion.

**Inclusive growth is Nigeria’s central economic challenge. Market-led economic growth is the dominant paradigm of economies in the world today, and rightly so because it has been the most effective path to reducing poverty, creating wealth, and achieving transformation.**

The role of infrastructure in creating inclusive growth is obvious. This is what creates equality of access to markets and productive opportunities, and it will also create a 'pull' factor for decentralized economic activity. Developing human capital through educational policy that is geared to innovation and technical skills is necessary to increase the productivity of labor, which is the critical component of inclusive growth.

Inclusive growth will not be achieved by merely diversifying into low-productivity agriculture in the 21st century or mining and exporting raw solid minerals. The latter will simply create another channel of commodity dependency, and is not the model on which the true wealth of nations is based. Real diversification means a value chain of industrialisation and value addition in a number of industries, whether based initially on agricultural or mineral resources, or, additionally, beyond natural resources to create other competitive goods for export. This means, in the area of solid minerals, that we need to be far-sighted and require value-addition (beneficiation) to any solid mineral mined in Nigeria before its export prior to granting mining licenses to investors. That is what creates jobs. True diversification of economies across sectors requires a strategy to achieve economic complexity. Achieving inclusive growth in this manner also requires political will to overcome the corruption and patronage systems that are frequently linked to natural resources.

Nigeria needs to create a social contract between the state and its citizens. This involves, primarily, the obligations of citizens (such as paying taxes) in exchange for the protection of life and limb, civil liberties and its limits, as well as the sustainable provision of basic infrastructure and social safety nets by the state. This gives citizens a sense of belonging, with mutual accountabilities between the government and the governed. One way to achieve this is to bring the millions in Nigeria's informal economy into the formal sector, including making innovative use of the ubiquitous mobile telephones that are owned by 140 million Nigerians.

This is linked to financial inclusion. Inadequate access to finance plagues Nigeria's small and medium enterprises, resulting in the oxymoron of capitalism without capital. It is not enough to strengthen the role of development banks, though that is essential. Beyond this, more private sector regional banks in geopolitical zones should be encouraged as a matter of policy, so that finance is located closer to rural and semi-rural populations as well as the urban small businesses. It is shocking that, as a recent report of the Nigerian Bureau of Statistics revealed, 77% of bank credit in Nigeria in 2015 went to Lagos alone. That's just one of the 36 states, and only 10% of Nigeria's population. This is extreme financial exclusion, a model that cannot build or sustain an inclusive growth economy. The role of the private sector more broadly is similarly critical. Business will play a driving role in inclusive growth if the power of competition, privatisation and deregulation is unleashed in a manner that avoids abusive crony capitalism.

Finally, Nigeria will not achieve real inclusive growth without inclusive governance. We will continue to suffer instability and be distracted from strategic economic transformation if the foundational elements of political inclusion for Nigeria's diverse citizenry are not addressed sincerely and effectively. The federal government today came to office in an election in which the opposition defeated an incumbent president. It had a unique opportunity to begin to truly heal Nigeria's wounds. Clearly, that opportunity was frittered away. A political re-engineering of our nationhood and our economy by revisiting a constitutional structure that traps us in a vicious circle of underdevelopment will provide the foundation for real economic transformation.

### **Jobs! Jobs! Jobs!**

Roughly 200 million persons in the world are jobless and most of them are young men and women in developing countries such as Nigeria. That 30 million out of these 200 million people are in Nigeria – roughly 15% of the world's jobless population – is a staggering fact with important consequences for Nigeria's future. When we consider that Nigeria's population is projected to double by 2050, the implications of millions of young people entering the job market without a radical success in job creation in Nigeria becomes clearer.

The first insight is to understand that government by themselves do not create jobs in today's world dominated by private sector-led economic activities. The private sector does. Government creates the conditions for job growth through sound economic policy.

The second insight is that, for a country like Nigeria, job-creation cannot be addressed in isolation of the wider macroeconomic environment which is a product of economic policy. The key to creating jobs is to ensure the constant increase in productivity across broad areas of the economy. Some aspects of the economy, such as manufacturing and agriculture, as well as entrepreneurship, and the IT industry, can by their nature create more jobs than others such as the petroleum exploration industry, for example. Other important constraints to job growth are limited access to finance, especially among small and medium enterprises, inadequate farming and skills among workers and entrepreneurs, and weak infrastructure – especially power and transport infrastructure<sup>1</sup>.

The critical path to job-creation in Nigeria must run through self-employment and entrepreneurship, with an emphasis on agriculture, agro-industry and small firms in the informal sector, and in the IT and services industry. The Federal Government of Nigeria and state government must utilise policy to stimulate the growth of these

industries.

The number one policy response must be access to capital, in particular private equity and venture capital. Evidence across economic jurisdictions in Africa, the United States, and Europe makes clear that private equity and venture capital investments in small firms create more jobs than the formal corporate sector. What this means is that Nigerian economic policy should encourage far more investments, local and foreign, in private equity and venture capital. The market for such investments is obvious when we consider that access to finance has been identified as the biggest obstacle to the business – and therefore job creation – growth of SMEs and microenterprises in Nigeria.

**Nigeria will not achieve real inclusive growth without inclusive governance. We will continue to suffer instability and be distracted from strategic economic transformation**

Economic policy in Nigeria must also encourage the growth of businesses and job creation in rural areas in order to reduce the urban migration pressures that contribute to the high unemployment in Nigeria. This has been the case in Asia. Japan's economic growth was driven by expansion of rural enterprises with 74 of the Japanese workforce employed by SMEs. Regrettably, Nigerian economic policy is focused far more on the formal corporate firms that have access to political leaders rather than to SMEs that make up 90% of businesses in Nigeria or the informal sector that produces 65% of the country's GDP. China created 101 million jobs between 1985 and 1991, with 70% of these jobs in 'townships and village enterprises' and nearly half of them privately owned<sup>2</sup>.

It is important for the government in Nigeria to focus on a holistic strategy to expand small business and employment opportunities in Nigeria's rural areas, especially in the IT sector where opportunities exist with rural dwellers increasingly seeking connectivity with the world through internet or other IT services and where mobile telephone penetration is already high. Specific tax incentives could be created for the establishment of businesses in rural communities.

### **Nigeria's Informal Economy**

Nigeria's informal economy, which is 65% of its GDP according to the IMF, needs to be brought in from the sun. This reason is of fundamental importance to our economic growth: informal economies are a strong characteristic of low-income economies and the prevalence of the informal economy is one reason why Nigeria's GDP per capita has remained at a low average \$1,646 since 1960. Second, and related to this, countries characterised by an abundance of informal businesses experience low aggregate productivity.

When people switch from informal sector to the formal sector jobs they increase employment in skilled occupations that pay higher even when those jobs are down the ladder of the hierarchies of jobs in formal sector enterprises, e.g. masons, carpenters, welders and so on. The consequence of such switches is upward job mobility<sup>3</sup>.

The problem with formalising the informal sector is that it is difficult to achieve when the larger macroeconomic environment is out of kilter as it is in Nigeria, and the formal industrial sector is relatively weak. Moreover, this specific challenge of economic growth does not appear to be a preoccupation of Nigerian economic policymakers. If we are to achieve economic development and transformation, it needs to become an important focus of economic policy.

---

***Nigeria needs to create a social contract between the state and its citizens. This involves, primarily, the obligations of citizens (such as paying taxes) in exchange for the protection of life and limb, civil liberties and its limits, as well as the sustainable provision of basic infrastructure and social safety nets by the state.***

---

---

1 MSS Research, "Employment Strategies for Developing Countries", [www.mssresearch.org](http://www.mssresearch.org)

2 MSS Research, "Employment Strategies for Developing Countries".

3 Brian McCaig, "Why Developing Countries Should Create More Formal Jobs", World Economic Forum, August 5, 2015, [www.weforum.org](http://www.weforum.org)

# Vision 18

---

## THE INNOVATIVE ECONOMY

MY ULTIMATE VISION FOR NIGERIA'S ECONOMY IS ONE DRIVEN BY INNOVATION. INNOVATION-BASED ECONOMIES CREATE JOBS MORE easily, as new ways of doing things or new products create new job opportunities in the chain of distribution from invention or innovation to the market. This means that innovation economies create more opportunities for self-employment and the provision of services.

Such economies also stay competitive, adapting to the needs of the future rather than, as it is the case with our natural resource dependent one, facing the danger of being left behind by global and market trends and thus condemning our citizens to poverty.

Nigeria has a national policy on science, technology, and innovation but this policy has practically no impact on Nigeria's economy. This is because there is no policy support for moving the products of innovation into the marketplace through mass production and marketing distribution, and because the incentives for innovation are not yet strong enough in Intellectual Property law and regulation.

Patents and other kinds of intellectual property are the engine drivers of the knowledge economy. This is not surprising, for where knowledge is wealth and power as it surely is in the 21st century, and is relevant only through its application, it follows that the value of such knowledge is very high in economic terms and is therefore worth protecting. In fact, intellectual property is perhaps the most important basis of the prosperity of the Western world. It was what incentivised innovation by offering inventors protection for their inventions, and these inventions – and their commercialisation – powered the industrial revolution and the innovations that followed. Patents provide incentives for innovation, which is why companies in the knowledge economy spend huge sums of money on Research and Development (R & D).

The absence of a link between science, commercialised indigenous innovation, and economic and business activity is a fundamental obstacle between Nigeria and a quantum leap to prosperity. This gap is all the more tragic because science and technology is one area in which African countries such as Nigeria can quickly develop global competitive advantage over the Western world and even Asia.

We often see and celebrate inventions and innovations of our fellow citizens published in the media. It tells us how talented many of our compatriots are. But why do we not see these products on the shelves in shops, markets and supermarkets? If we can resolve this conundrum Nigeria will become an economic superpower.

### **Science, Technology, and the Wealth of Nations**

It is important that we understand why Nigeria must invest in science and technology, how science creates wealth, and what we must do to achieve this “new liberation” – using our untapped natural wealth, human resources, and effective policy execution to create explosive wealth that by-passes Western-led globalisation and creates national and continental technology hubs. This is what will reposition Nigeria – with advantage – in the phenomenon of globalisation.

As one writer has stated that: “Succinctly put, science and technology are the key components of modern economic development and no modern state can achieve or maintain prosperity without science and technology. Science and technology embody the paradigm, knowledge, skills and techniques by which we understand, relate with, control or exploit nature directly or indirectly”.

The secret that lies behind science and the prosperity of nations is simple but profound: Ideas matter. Making use of natural phenomena and properties and adopting these properties to practical use is essential to improving the quality of human existence. When this happens, and when the inventions and innovations that stem from the process of scientific inquiry and research are popularised for commercial value, efficiencies and utilities are created. We can do things faster and better. What previously seemed impossible becomes possible. Productivity increases. Wealth – that of nations and individuals, including the owner of the idea that created the innovation – is the result.

## **Preconditions for an Innovation Economy**

There are a number of factors that determine whether or not technology and innovation can thrive in any society. We must understand them if Nigeria is to create technology-generated wealth.

First, Nigeria must make technology and innovation a strategic priority from the standpoint of a worldview that we can invent and innovate, and must do so in order to liberate itself from the oppressive dominance of globalisation. Why not manufacture its own mobile phones or innovate based on the original cell phone?

This is easy to say, but hard to do. Nigeria's science and technology policy has had no practical impact because there has long existed a disconnection between the country's economic planning and science and technology. President Goodluck Jonathan noted during his tenure in office that there is "nowhere in this world now you can move your economy without science and technology. For the next four years we will emphasise so much on S & T because we have no choice; without that we are just dreaming".

While Nigeria's STI policy says all the right things, neither the Jonathan government nor the successor government of President Buhari has effectively executed the policy to produce its desired results. To get there, Nigeria's federal and state governments must first demonstrate political will by making science and technology a priority in a practical manner that makes the average citizen – and would-be innovators and inventors – see, feel and benefit from this priority. That would lead to concrete innovations that have a practical impact on the challenges that confront Nigerians in their daily lives.

Although throwing money at problems without solving other basic problems is not always guaranteed to achieve results, funding for the development of science and technology in Nigeria needs to be increased in a quantum leap. Countries are serious about science and technology because they realise that its development holds the real key to human progress. This is why they invest heavily in innovation and development.

In Nigeria the budget for STI in 2012 was N30 billion – less than 1% of the national budget and, at the dollar equivalent of \$191 million, is 0.08 per cent of Nigeria's GDP of \$257 billion. About 2.8 per cent of US GDP in 2008 was invested in innovation, compared to 1.9 per cent in the European Union. African countries spent an average of 0.3 per cent of their GDP on science and technology in 2007.

In the 2017 budget of a total of N7.298 trillion, only N18,750.951,876 billion was allocated to Science and Technology – just over 50 per cent less than the 2012 budget for the same purpose. Meanwhile, 60 per cent of the STI budget for 2017 is for recurrent expenditure. This is a sharp decline in investment in STI from an already low base.

Our policy priorities, in reality, as well as our country's political economy in general still emphasise the short-term revenues from crude oil and, where it goes beyond that, agriculture. We don't seem to realise that even these priorities require the application of science and technology to be truly productive. Shale oil and gas production in the Western world is one example. The link between science and technology, on the one hand, and agriculture and a manufacturing economy on the other must practically be established through a pipeline of cross-sectoral collaborations feeding from one into the others. Many initiatives are going on in research institutes across the country but appear to have little direct links with other government policies or the private sector.

Nigeria's federal government established a ministry of science and technology nearly 40 years ago in 1976. Today, that government institution has numerous subsidiaries that indicate a clear awareness of the lines of science and technology that need to be developed in the country. These institutions are the National Agency for Science and Engineering Infrastructure, the Nigeria Natural Medicine Development Agency, the National Space Research and Development Agency, the National Biotechnology Development Agency and numerous technology business incubator centres located across the country. Clearly, with such an armada of STI institutions, the gap between their existence and a felt impact of STI in Nigeria's national consciousness and in its economy, must be bridged as a matter of urgency.

Kenya is moving faster to establish itself as a technology hub on the continent. The East African country launched a \$14.5 billion "silicon city" in Konza, a 2,000-hectare city, 60 kilometres from Nairobi and designed to turn Kenya into an attractive location for technology businesses and incubators. The "silicon savannah" project is ambitious, and is set to challenge South Africa's continental dominance of the technology industry. Scheduled for completion in 2020, the Konza Technology City seeks to capitalise on the country's track record and reputation: 9 out of 10 Kenyans have mobile phones, and the country has pioneered the use of mobile phone banking system, the M-Pesa, that is widely admired and now imitated around the world for efficient payment systems and to increase access by the poor to financial services.

**Nigeria has a national policy on science, technology, and innovation but this policy has practically no impact on Nigeria's economy.**

Nairobi, the capital, hosts an Innovation Hub, and Kenya's Information and Communication Technology Board already offers grants from \$10,000 for individuals and teams and \$50,000 for companies to build local web and mobile applications. And technology-focused venture capital firms are already emerging in the country's landscape. This is the sort of practical role African country governments need to play to begin to move the technology-for-development agenda forward.

Second, although Nigeria needs to create enabling environments for innovation, the government must avoid seeking to control the innovation process. This requires a clear line between government support and allowing private innovation initiatives room to thrive. Private research laboratories should be encouraged with funding from the private sector and government policy support, to enable them or other innovation centres take their results to the market. But governments should never seek to control scientific inquiry or innovation for political or other reasons.

In a country such as Nigeria, economic or technological activities have been viewed through narrow political and ethnic lenses – members of the “wrong tribe” or the “wrong religion” may produce prolific inventions or innovations; or attempts may be made to subject science and technology policy to quota systems or affirmative actions that stifle creativity and foster inefficiencies or worse, paralysis, by creating a misalignment between incentives and capabilities.

Third, institutions and markets must exist in order to enable technology and innovation to thrive. Institutions include those that protect and regulate private property. Markets mean environments that offer commercial applications for innovation, with the private sector, not governments playing the most important role except in the case of industries such as defence.

The two most important institutions for an innovation-driven economy are government offices or institutions which are specifically tasked with authority to grant intellectual property rights, the right to exclusive rights to creation of the mind – inventions (patents), literary and artistic works (copyright), and symbols, names, images and designs used in business (trademarks) – and to promote the creation of intellectual property. Also essential are judicial institutions that protect such property, making its ownership secure, worthwhile, and ensuring that intellectual property owners have fair opportunities to obtain the commercial rewards for their creations that markets can confer.

The concept of intellectual property has had a revolutionary impact on the global economy and the economies of wealthy industrial states. The concept in its modern form dates back to the 18th century. A French statute of 1791 stated: “All new discoveries are the property of the author; to assure the inventor the proper and temporary enjoyment of his discovery, there shall be delivered to him a patent for five, ten or fifteen years.” And in an 1845 Massachusetts Circuit Court ruling in the patent case of Davoll et al v Brown, Justice Charles Woodbury wrote that “only in this way can we protect intellectual property; the labours of the mind, productions and interest are as much a man's own... as the wheat he cultivates, or the flock he rears.”

The institutions of intellectual property are national and international. In Nigeria we have the National Office for Technology Acquisition and Promotion (NOTAP). These institutions in developed countries have developed intellectual property into a mature, sophisticated instrument of wealth creation from shaky foundations. It should be no surprise that an intellectual property clause that provides for patent and copyright systems was enshrined in the very first article of the US Constitution, directing the US Congress to “promote the progress of science and useful arts by securing the authors and inventors the rights to their respective writings and discoveries”.

As the author Samuel Clemens (a.k.a. Mark Twain) declared through one of his book characters, the Connecticut Yankee in King Arthur's Court, “the very first thing I did in my administration – and it was on the very first day of it too – was to start a patent office, for I knew that a country without a patent office and good patent laws was just a crab, and couldn't travel any way but sideways or backwards.”

**Nigerian companies therefore need to invest in R&D aimed at yielding new products or improving existing products and procedures and gaining competitive advantage.**

In Nigeria, as in much of Africa, an institutional framework for intellectual property is weak. Because the structure of our economy is import and consumer driven, building and strengthening intellectual property institutions is not seen as a strategic national priority. But that is precisely why it should be, for it is only innovation that can break this structural dependency.

South Africa is an exception. It has moved to link intellectual property with a global competition business strategy by creating a new Companies and Intellectual Property Commission designed to give effect to the goals of the South Africa's New Companies Act of 2008, which aims to promote innovation and growth by assisting South African companies become more competitive in the global context.

This forward-looking initiative leads us straight into the matter of markets for innovation. Without business,

either individual companies or the organised private sector, an innovation economy will not be created. Inventions and innovations require funding by venture capital firms and by large corporations through R&D. The early inventors and innovators in the Western world were always backed by wealthy businessmen – financiers whose sole purpose in these partnerships was to ensure financial support for the inventive process and take the resulting products to the market for commercial use through mass production, and split the monetary rewards with the inventor.

There are two types of economic growth – “extensive” and “intensive” growth. The first results from adding greater numbers or quantities of factor endowments such as land, labour, capital and resources. But this kind of growth ultimately leads to diminishing returns. The second sort of growth comes from discovering better ways of production using the same or even less inputs such as workers or resources, and allowing constant increases of income and welfare. Intensive growth allows a country’s economy to grow even as its population decreases, and is based on innovation.

Various academic studies have demonstrated how important intensive growth has been for economic transformation. Between 1870 and 1950, the American economy grew at a phenomenal rate of 3 per cent a year, slumping in the 1970s to 2 per cent, and 1.33 per cent since 2004. Economists discovered that inputs accounted for only 15 per cent of the rapid growth between 1870 and the mid-20th century while intensive growth from technological innovation accounted for 85 per cent. The falling rates of growth have been attributed to a decline in the fundamental differences, more recent innovations have made when compared to the importance of earlier innovations between the late 19th century and the mid-20th century.

Nigerian companies therefore need to invest in R&D aimed at yielding new products or improving existing products and procedures and gaining competitive advantage. Although African economies may be seen as still at basic levels relative to the West and Asia, there are an increasing number of companies that can profitably engage in R&D – although such activities tend to have a longer-term perspective.

The fourth requirement that Nigeria must meet in order to develop an innovation-powered economy is that of creating a social consensus on innovation. This sort of consensus scarcely exists. But it means that innovation and its practical applications in society must be popularised, and a specific, conscious awareness of it built. Consider: at the 2013 International Consumer Electronics Show in the American city of Las Vegas, “ideas for all ages” were on display, including an iBaby monitor that allows two iPhones to watch a baby simultaneously, equipped with temperature sensors and talking ability, and sends phone notifications to the parents when a baby cries.

To be sure, there is an increasing social consensus about Internet technology, computers, and the technological wonders of mobile telephony in Nigeria, as in the rest of Africa – but mostly as consumers. There are 140 million mobile phone subscribers in Nigeria alone. We need to build social consensus around innovation that will lead to true development – including innovation in agriculture that will increase crop yields with less acreage, as Israel has done by turning deserts into farmland, and in healthcare to combat deadly diseases such as malaria.

### **Potential Enablers**

Nigeria has natural habitats that offer bountiful raw materials for scientific advance and innovation. This is famously so in the case of pharmaceuticals and medicine. The abundance of natural herbs with healing properties in our ecosystems – some of which have been exploited by individual Western countries to develop medicines – offers a wide scope of opportunities for the development of evidence-based pharmacy and medicine. This requires a combination of effective public policy, research funding from state and private companies, and a market for the products of the resulting innovation.

Nigerian researchers have done much work in these areas, but the problem of a lack of social consensus on innovation remains, and research findings often remain at the level of basic science as opposed to applied science. Nigerian researchers, for example, have found properties in grapefruit seed which has been traditionally used to control diabetes and obesity in South-western Nigeria, and also act as powerful antioxidants and can treat heart diseases.

We also have amazing local talent pools of innovations. As I noted at the beginning of our discussion on innovation, thousands of young Nigerian men and women have accomplished prototypes of innovations which would improve agriculture, manufacturing, and telecommunication if they were to be developed and commercialised in a systematic manner. What’s more, in shops and markets in Abuja and Lagos, there are prodigy technicians who can download every application on Apple iPad and Samsung tablets – by illegally hacking into them. This is technological prowess put to the wrong use.

The young inventors – most of them fresh university graduates or students in high schools and universities – often lack the confidence to take their innovations forward because they have no knowledge of how patent systems work in the country and live in mortal fear of the theft of their innovations. They have no funding of their own and there exists no organised framework for matching them to private sector or government funding.

More than forty years ago, during Nigeria’s civil war, scientists in secessionist Biafra demonstrated a level of

innovative ingenuity that has not been witnessed in the African continent ever since. Faced with strangulating blockades and clearly fighting a losing defensive war, necessity became the mother of invention, and science and technology became a central plank of the Biafran struggle, a core part of the short-lived republic's worldview. Biafra's famous Research and Production Unit (RAP) invented numerous marvels, from the use of coconut oil as vehicle fuel to crude rockets and missiles.

But, in what is clearly a worldview tragedy, the inventions and innovations in Biafra died with the defeat of the secessionist effort and the end of the civil war. No systematic effort appears to have been made to develop and improve on the knowledge, skill and ingenuity that created such innovations by putting the erstwhile Biafran scientists to work for a reunited Nigeria.

Finally, we have thousands of scientists in the Diaspora contributing their skills and know-how to building knowledge economies in Europe, United States and Asia. This is one of our country's great tragedies. Unless these brilliant minds return home and are positioned through effective strategy formulation and execution, our hope for a true renaissance will not be fulfilled. Why is this so, despite the abundance of local technological talent? It is because these emigrés have the experience of the organisation, teamwork and management of research and innovation essential to the creation of knowledge economies. It is the combination of the experience and exposure to global standards of these scientists and the local innovators' knowledge of the local African environments that will form the bulwark of a technological revolution in Africa.

This outcome requires a level of strategy execution not common in Nigeria, but which has been successfully adopted by nations such as Israel, China and India – countries that have made careful and effective use of their nationals with foreign technological experience. The debate about how the “scientific diaspora” can help Nigeria is important, but contrary to conventional wisdom, the chances of their making impact by remaining abroad but collaborating with scientists back home is limited. Large enough numbers of these brains in export must return to the continent. The challenge that faces public policy and business is to create a truly enabling and empowering environment that will offer them adequate incentives to do so. We have discussed some of these possibilities in the chapter Vision 10 (The Diaspora).

---

***First, Nigeria must make technology and innovation a strategic priority from the standpoint of a worldview that we can invent and innovate, and must do so in order to liberate itself from the oppressive dominance of globalisation.***

---

# Vision 19

---

## HUMAN CAPITAL: EDUCATION WITH PURPOSE

ON A HOT AFTERNOON IN OCTOBER 2012, MARYANNE MOGHALU, CHIEF EXECUTIVE OFFICER OF THE ISAAC MOGHALU Foundation (IMoF), a Nigerian foundation that promotes education and human capital development, surveyed the classrooms in the LEA Primary School in Gishiri, a slum in the Nigerian capital of Abuja. “My heart sank at the desolate scenario”, she said. Fifty children were crammed into a small classroom that had an earthen floor, a caving roof, no running water, and thus no functioning toilet facility in a school with 400 pupils.

The Moghalu Foundation has constructed a modern classroom block with three classrooms, a borehole for water supply to the school, toilet facilities, and a library the school will also share with the local community. Under the ‘IMoF Schools Connect’ programme, Regent Primary School, a well-heeled private school in Abuja has ‘adopted’ the LEA School in a partnership that will see private schools equip library facilities built for schools with little or no learning infrastructure and create school activity exchanges.

Welcome to the crisis of education in Nigeria. The education system of any country is the foundation for the country’s progress, its inertia, or its retrogression.

Education is the key to Nigeria’s future for three reasons. First, it is critical to the development of the worldview of transformation that we need. Knowledge obtained through education system shapes interpretations of the world from the early ages of citizens. From the standpoint of the philosophy of education, the content of the curriculum and how it defines the individual or group, values such as patriotism, service, discipline and others – another component of world-views – as well as the structure of the educational system and the kind of society; political and economic environment, an education system can proactively be designed to produce, is the critical foundation of a Nigerian worldview state and should consciously be utilised to create one.

Second, education actualises world-views and visions of economic transformation. This happens in so many ways. Education, especially science and technology, directly creates a strong basis for inventions and innovations. In the economically advanced countries of the West and Asia, much of the investment governments and businesses make in innovation is routed through educational institutions. The education systems of the emerging economic powers of Asia, for instance, have been designed to prioritise obtaining and applying science and technology to improve the quality of life of their citizens and to support economic growth by producing the human capital with skills that make real economic transformations possible. An illiterate society cannot replicate this kind of progress.

Third, education is the surest path to human development beyond mere growth statistics that gloss over the dismal state of healthcare, education and unemployment in Africa. Educated people make better choices. An educated mother knows without being prodded why her child should be vaccinated against diseases such as polio, meningitis and others.

### **The State of Learning**

Education in Nigeria is in disrepair and consequently, in despair. The very culture of education has been progressively eroded over the past three decades. This reflects a more widespread collapse of value system. Education – and the integrity of educational process and the student’s experience of it – is clearly not as valued as it once was. In the years after the Nigerian civil war, the pride of place accorded to education, the teaching profession and educational attainment was replaced by a dominant culture of crass materialism in which the worship of wealth became rampant. Going to school no longer mattered as much as getting rich.

The loss of respect for ideas and education as a value naturally extended to a loss of priority for education as national focus shifted to the effects of Nigeria’s resource curse – easy money and illicit wealth from rent-seeking activities. The domino effect of this decline of values was felt in the death of a drive for access to education and the quality of education. As the private sector became increasingly involved in the education sector through the establishment of elite private schools, Nigeria’s public schools increasingly faced a struggle for survival and relevance.

The question of the culture of education and the value system of a society which surrounds educational system is fundamental because the cultural assumptions and values that underpin an education system have been found to be more important than what the system can achieve on its own. Thus, a study by the education publishing firm-Pearson- found that Finland and South Korea topped the list of 40 developed countries with the best education systems because these countries had a strong culture in which education was highly valued and teachers enjoyed a high status in society.

Without downplaying the importance of other factors in Nigeria's education crisis such as access and quality, Nigeria needs to pay prime attention to the restoration of the education culture and the social values that support such a culture. The societal culture and value system determine the direction of the other factors and, ultimately, the quality of the output of the education system and its ability to serve as a talent pool for real economic transformation.

**The education system of any country is the foundation for the country's progress, its inertia, or its retrogression.**

The problem of access is basic. Children and young people need to be able to get into schools in order for the education system to play its appropriate role in economic transformation. Educational access also addresses fundamental questions of social inequality that impact on economic development and socio-political stability that is essential for economic growth.

Nigeria's 1999 Constitution provides for free, compulsory and universal primary education. But with nearly 15 million children of primary school age out of school, more effective policy implementation is needed. We need to put in place incentives to attract out of school children from poor families, especially in the country's northern region. Implementation policies must be targeted at overcoming cultural and religious factors that militate against the enrollment of boys and girls in non-religious schools.

Nigeria's crisis of access to education is compounded by an even worse state of the quality of the education system and associated learning outcomes. This is ultimately the most important measure of the state of any country's education system.

Nigeria does not participate in international learning assessments such as Trends International Mathematics and Science Study or the Programme for International Student Assessment. This makes it difficult to assess Nigeria's education system in the context of international standards. The information available is nevertheless troubling. Nigerian students in grades four and six were the worst performing out of 22 African countries that participated in a UNESCO measurement of learning outcomes in 1996 and again in 2003.

Only 20 per cent of fifth grade students could correctly answer 30 per cent of the questions in four main subjects in national primary school examinations, and only one per cent could correctly answer half of the questions. Secondary school terminal examinations organised by the West African Examinations Council (WAEC) and the National Examinations Council (NECO) have witnessed mass failures for the past several years. To illustrate the scale of the problems, the ratio of Nigerian secondary school students who passed the West African Senior Secondary School Certificate Examination (WASSCE) between 2006 and 2015 hovered in the dismal range of 22% to 38%. When in 2016, the pass rate rose to 52.97% eyebrows were raised by many observers.

Nigerian secondary school students have become progressively weak in the science subjects that lay the foundation for a knowledge economy based on science, technology and innovation.

Nigerians who have known better standards of education in past years are justifiably incensed.

If primary and secondary education in Nigeria has deteriorated, university education has existed in an advanced state of decay for over two decades. Even first-generation Nigerian universities have seen their accreditations withdrawn or threatened as a result of poor educational infrastructure such as libraries, classroom facilities, and student housing. The tertiary education system is plagued by problems of quality, in particular weak learning infrastructure and low-quality teachers – the two factors that affect learning outcomes. As Dr. Ngozi Okonjo-Iweala, former Minister of Finance and Coordinating Minister of the Economy stated in a keynote speech at the 2012 Isaac Moghalu Foundation Leadership Lecture:

Several universities are producing graduates that lack the right skills needed to perform tasks required in their chosen fields, making it difficult for them to get employment. If you look hard enough, you may even find graduates that have never used a computer before. Academic infrastructure in many of our premier institutions is dilapidated. Nigerian universities are no longer the citadels of learning we once knew them to be. They have lost their place in the global rankings. Look, for example, at the Times Higher Education 400 Universities in the World rankings. No single university in Nigeria was featured, yet there were representatives from South Africa and Egypt. Even in Africa, you will not find a Nigerian university in the top 20 – yet you will find universities in Ethiopia, Sudan, Ghana, Kenya and Uganda in this

list. This is very embarrassing for the “giant of Africa”. Now, in fact, Nigerian parents are sending their children to other African countries like Ghana and South Africa to study, spending hundreds of millions of dollars in tuition fees alone, not to talk of those that send their wards to the USA or the UK, at significant costs. Imagine the benefits of investing these in our own university system. Surely, there is an urgent need for reform.

There are other dimensions of the quality challenge in Nigerian tertiary education. Because there is a lack of proper planning in the establishment and management of Nigerian universities and other tertiary institutions, physical facilities are often inadequate and overstretched, and lecturer to student ratios have worsened. The ratio of teaching staff to students is 1-122 at the University of Abuja and 1-144 at the Lagos State University; but the same ratio is 1-4 at Harvard University, 1-9 at the Massachusetts Institute of Technology (MIT), 1-3 at the University of Cambridge, and 1-10 at the National University of Singapore.

The Nigerian federal government’s decisions in recent years to create and site additional universities, including in states that had no federal universities, have generated controversy in academic circles. While it might be cast as creating access to underserved areas of the country, establishing more universities when existing ones are ill-equipped is to sacrifice quality for access.

Nigeria has more than 120 universities, 77 of which are public universities established by federal and state governments. Education is on the concurrent list in Nigeria’s constitution – activities in which both national and sub-national governments can be engaged. While the sensitive questions of inequality of access to education are rightly of concern to Nigeria’s federal government, the focus of its education policy in the future certainly should be on addressing the grave issues of quality in Nigeria’s education system, as opposed to a continuous expansion of the federal university system.

None of these challenges is more important than the dearth of qualified teachers at all levels of education. The report of a presidential panel on the needs of public institutions indicates a manpower crisis in Nigerian universities. Only 43 per cent of academic staff in Nigerian public universities earned doctorate degrees. The remaining 57 per cent do not have such minimum qualifications for university teaching. Just seven universities had up to 60 per cent of their teaching staff with PhDs and Kano State University of Science and Technology, established in 2002, had one professor and 25 lecturers with doctorate degrees, while 74 per cent of teaching staff at the Plateau State University in Bokkos are visiting faculty.

Then there are the problems of the pedagogy, structure, curriculum and funding of Nigerian education. The pedagogy in most institutions is based on regurgitation and rote learning approaches that leave little room for analytical thinking and expression or robust classroom discussion and debate. The structure of the educational system is not aligned to producing good-quality skilled technical manpower in practice although there are universities of science and technology as well as several technical institutes. A new system of education known as the “6-3-3-4” system was introduced in Nigeria in 1982 to make the educational system functional and thus serve as pipeline for the country’s technological development. However, the system, as with a good number of plans in Nigeria, suffered from poor implementation and thus failed to achieve the goals for which it was created. The 6-3-3-4 signified a trajectory of six years of primary schooling, three in junior secondary school, after which students with aptitude in science and technology would move on to a technically focused senior secondary school while others focused on other subjects, both followed by four years of university education.

However, the implementation of the 6-3-3-4 system failed to achieve its stated purpose because the education policy architecture did not make appropriate preparations for the policy’s introduction. The problem, in the main, was that the teaching manpower to implement it was marked inadequate, materials and other resources were not made available, and the appropriate mind-set in students, teachers and the public was not sufficiently created through the introduction of instruction in introductory technology as a specific subject in secondary schools. The 6-3-3-4 was replaced in 1999 by another system of education known as the “9-3-4” system – nine years of basic education (including six years of primary education and three years of junior secondary) three years of senior secondary (or technical and vocational education), and four years of university.

**The tertiary education system is plagued by problems of quality, in particular weak learning infrastructure and low-quality teachers – the two factors that affect learning outcomes.**

## **Solutions**

The overarching problem is the low priority education gets in terms of government funding. The Nigerian federal government’s annual budget for the sector in 2017 was less than 10 per cent of the total budget, still inadequate and well below the United Nations Educational, Scientific and Cultural Organisation (UNESCO) recommended

minimum education funding of 26% of total national budgets. Even more fundamental, over 80% of Nigeria's education budget typically goes to recurrent expenditure while less than 20% goes to meeting real needs in educational infrastructure and facilities. But there are even more fundamental questions to be addressed in education reform beyond increasing financial resources if new resources are to have a chance of meeting the core needs of the education sector.

The second fundamental issue to be addressed is that of exactly what the role of governments – central and sub-national – in education is. This is not an easy conundrum to navigate. There are two questions here. One is that of the lack of clarity in the position of education in public policy because it is on both federal and state government jurisdictions in the Nigerian constitution. One of the implications of this bifurcated responsibility is that there is inadequate coordination and synergy between federal education policy and schools under states and local governments.

**The Nigerian federal government's decisions in recent years to create and site additional universities, including in states that had no federal universities, have generated controversy in academic circles.**

Third, important constitutional and policy decisions must be made about how much and how the government should be involved in secondary and tertiary education. Clearly, the government appears over-extended in the education sector. Any notion that the state will solve all the problems of education in a country as large and diverse as Nigeria would be illusory. The private sector, faith-based organisations, and other non-profit organisations need to become more involved. This seems to be working in Anambra State, where the former state governor, Peter Obi returned schools to churches that previously owned them before the government take-over of schools after the civil war. Early results are encouraging. Improved discipline and value systems are creating better learning environments and the churches are fundraising for learning infrastructure facilities.

Fourth, the real role government can play to good effect is to invest heavily in targeted, high quality teacher training at all levels. This, along with better pay for teachers, is the key to reforming Nigeria's education sector. Teacher training in pedagogy and educational administration through a train-the-trainers approach is urgently needed. It will begin to cascade skills and knowledge in education planning, management and classroom teaching, as well as subject matter competence with emphasis on science and technology. This of course includes computer literacy as a basic component.

Moreover, the government needs to focus more on increasing the effectiveness of its regulatory oversight of education – public and private. The work of education regulatory bodies in the UK, for example, has created incentives among schools to increase standards. The education regulatory regime in our country remains weak.

Fifth, an overhaul of the curriculum is needed. Civic subjects such as history, values such as ethics, patriotism and leadership need to become compulsory in primary and secondary schools. This will ensure that schools actually educate to the needs of the society. It will begin the long process of turning around the ethos of the Nigerian society and shaping the worldviews of the country's youth. Science and technology, as well as entrepreneurial training for self-employment must become the strategic direction of education in Nigeria.

Sixth, business corporations need to become more involved in the funding of education in Nigeria in a strategic and systematic manner beyond symbolic corporate citizenship. At the Nnamdi Azikiwe University, a federal government university in Awka, Anambra State, much corporate and individual donor funding has been used to build academic and residential facilities in the university, with numerous modern buildings named after their donors.

This is a model that should be developed by all Nigerian universities. Wealthy Nigerians and plutocrats seeking avenues to use their wealth for public and social service should invest in improving the quality of Nigerian education as an urgent priority. They should also endow teaching chairs to attract qualified Nigerian PhDs living and working abroad to teach in Nigerian tertiary institutions. Aliko Dangote, Africa's richest man, has done exactly this in universities in his native Kano State.

Seventh, a strategic approach to attract foreign direct investment in education and human capital development in Nigeria must become a government priority. The strategy should be to build high quality human capital and stem the capital flight of Nigerian youths seeking education in foreign countries, by attracting quality global education names to set up campuses in Nigeria. Such a step would fit into the context of a rising trend of globalisation of education in which several American universities have global campuses in the Gulf countries, Europe, and Asia; and elite British private schools (called "public schools" in Britain) such as Marlborough are preparing to set up campuses in countries such as Malaysia.

Malaysia built completely new 240-hectare "educity" in the state of Johor from scratch and is seeking to attract

Western educational institutions to establish there in order to reverse the brain drain and money that flows from Malaysia to foreign schools and universities. Strategically selected tertiary institutions such as the British universities of Southampton and Reading, the Management Development Institute of Singapore, and a collaboration arrangement between Malaysia's Multimedia University and the University of Southern California will be established in the Educty. The Netherlands Maritime Institute of Technology is already established in Educty, as are Australia's Monash University and Britain's Nottingham University. The prestigious Johns Hopkins University in the United States plans to set up a medical school.

In my vision for my country such "education investors" must be part of a foreign investment strategy for Nigeria. It will build human capital skilled enough to serve the country's domestic STI needs and also provide the sort of technical skills foreign investors seek as a location factor. This strategy will increase the chances of foreign investments that will actually create jobs in Nigeria such as light and middle-level manufacturing, as investors look to diversify away from countries such as China with its increasingly high labour wages.

For Nigerians, it offers the prospect of obtaining globally prestigious educational qualifications without having to sojourn abroad. And for the investors, it offers promising returns on investment. What's more, Nigeria can offer the incentive of co-investing by financing the construction of such facilities as Malaysia has done. But this strategy will take hard work to prepare and execute.

Time is running out for Nigeria. Many foreign "education" investors are looking at Ghana – and at the large numbers of Nigerian students studying in the smaller West African country – for this purpose.

Finally, Nigeria's federal and state governments must agree on a fundamental revamp of the country's education sector as an essential policy direction. This will re-invigorate our country's productive capacity within the worldview context.

China is already ahead, with a game plan that it is painstakingly executing. The Asian giant's strategy is to take another "great leap forward" in human capital by making a \$250 billion-a-year investment in the education of tens of millions of young Chinese people and overhauling its current system in which a small educated elite supervises large numbers of semi-trained factory workers and rural workers that make up much of the country's workforce, and achieve a more broadly educated public that will rival European and American societies in human talent, moving up the totem pole of development.

Nigeria and most other African countries need to be making a similar effort. It requires a long- range perspective, a clear strategy anchored on a worldview which is what drives China. It is doubly important for Nigeria to begin to make massive investments in human capital. Otherwise, its claim of being Africa's leading light could be laid low in the coming years by a reality different from dreams. But, if successful, the rewards of such a vital undertaking will clearly reflect in the wealth of its people.

---

***Nigeria's 1999 Constitution provides for free, compulsory and universal primary education. But with nearly 15 million primary school age children out of school, more effective policy implementation is needed.***

---

# Vision 20

---

## FISCAL POLICY

FISCAL POLICY IS ABOUT HOW THE GOVERNMENT GENERATES AND SPENDS REVENUE AND HOW THIS PATTERN AND PROCESS influences the economy. In Nigeria, most of the populace appears not to understand the difference between this government function and monetary policy which is the management of the money supply and price stability of a central or reserve bank.

Fiscal policy in Nigeria is the weakest aspect of economic governance in Nigeria. There are many reasons why this is so, but they are overarchingly of a political nature. Since fiscal policy is, at its core, about how to raise and spend money, taxation is, or ought to be, at the heart of fiscal policy. In Nigeria, this has not been the case. This fact is at the heart of the country's economic growth challenge. The very issue – taxation – that defines the role of the state and its citizens which is that citizens will pay taxes levied by the government on their economic activities and the government will provide security and other public goods, has been relegated to secondary importance. Debt management is another important aspect of fiscal policy.

As in several natural-resource rich countries in Africa, fiscal policy in Nigeria for the past 50 years has been focused not on the efficient and effective generation and spending of tax revenue, but on rents from crude oil which have usurped normal tax policy in importance. This changes the dynamics of fiscal policy because the focus switches from the effects of policy on economic activity, to the risks of oil price revenue exposures, macroeconomic imbalances, environmental damage, and the overall distortion of governance and political power towards capturing and controlling natural resource rents for the purposes of patronage. This is the classic “gatekeeper state”<sup>1</sup>. The resources become the “gate” of statehood and governance, and all the political and economic action is focused on guarding, controlling, and managing “the gate”.

The failure of fiscal policy in Nigeria has had five other fundamental consequences that have hobbled the ability to achieve sustained economic growth, development, and transformation. One, both the federal government and the vast majority of state government have been unable to save, even as many other resources-rich countries in the Middle East, Asia, and Europe developed savings mechanisms such as sovereign wealth funds decades ago. As a result, our country has lost nearly two generations of developmental opportunity.

Two, the mismanagement of fiscal policy has resulted in the haemorrhaging of potential savings to the maintenance of a massive bureaucratic state. That state is one marked by a bloated and inefficient size of government at the national and sub-national levels. Between 70-90% of federal budgetary revenues are spent on paying salaries and on other recurrent expenditures.

Three, Nigeria has been afflicted by a high degree of macroeconomic instability as a result of the cyclical economic crises generated by fluctuations in revenues from crude oil owing to boom and bust cycles in the global price of oil. Despite a habitual political lip service to diversifying the economy away from oil revenues, the governance and economic management of Nigeria still operates in a firmly oil-price-dependent mode.

Four, fiscal management incompetence has resulted in increasing levels of foreign and domestic debt. The implication for fiscal management is that increasing amounts of future revenues will be spent in debt-servicing. Given the past record of governance and economic management in Nigeria, it is doubtful that the debt incurred will be spent in a manner transparent and effective enough to achieve economic growth that offsets the costs of the national debt.

**The very issue – taxation – that defines the role of the state and its citizens...has been relegated to secondary importance.**

Five, and finally, fiscal policy mismanagement in Nigeria, largely under the influence of the country's political

leadership, has had a negative impact on monetary policy. Fiscal dominance has frequently created inflationary pressures that have made long cycles of tight monetary policy – exemplified by high interest rates – inevitable.

It is time for Nigeria to develop and launch a real medium and long-term programme of diversification away from oil-revenue dependency. This requires a level of political will that is not evident at the present time.

Following the return to democracy in 1999, various policies were put in place to mitigate the impact of oil revenue volatility, specifically the oil price rule that established the Excess Crude account. A debt cancellation deal was reached with creditors, cancelling most of the legacy debt and repaying the balance. This freed up the government's balance sheet and left significant fiscal policy space to implement a development agenda. But this progress in fiscal policy has been reversed in recent years, and the subsequent return to high levels of indebtedness raises the possibility of a debt crisis<sup>2</sup>.

In the long term, a number of strategies have to be implemented to prevent another episode of booms and busts to government revenue. First, an oil price fiscal rule needs to be implemented and enforced. A rule that limits the effects of volatility in oil prices. Alternatively, or in addition, the federal government needs to establish a “hedging” arrangement to manage the risks of oil price volatility.

Second, efforts have to be made to diversify government revenue sources away from volatile commodities, to a basket of sources which will prove to be more resilient to downturns. From 2019, the Federal Government of Nigeria should establish a concrete economic diversification plan with a concrete path to a post-oil future for Nigeria, based on emerging global trends.

This plan, akin to the Saudi Arabian government's economic diversification plan, should include a clear strategy with interlinked policies – trade, industrial, fiscal – and far-reaching structural and governance reforms of the Nigerian National Petroleum Corporation that could include partial privatization (with share listed on the stock exchange for purchase by ordinary Nigerians and not by government-related cronies). In doing so, the interests of local communities in oil-producing regions must be protected – for example, by ensuring a set-aside in private ownership of the NNPC by members of the communities in the oil-producing regions).

Third, Nigeria's tax authorities should follow the ownership trail of Nigeria's estimated 140 million mobile telephone lines to bring operators in the informal economy in the tax net and the formal economy. This approach will generate dramatically increased internal revenue and reduce the need for external indebtedness. In return, the government must enter into, and deliver on, a solemn social contract with the Nigerian people to provide citizens with the most basic goods of security, access to education and quality healthcare, and infrastructure.

Fourth, the Federal Government of Nigeria should cease all new foreign borrowing. Considering the government's declining revenue profile, further indebtedness is not sustainable and will likely lead to a debt crisis.

Finally, the FGN should limit the constant expansion of the state that places pressures on fiscal management through a bloated workforce and the consequent dominance of recurrent expenditure in the government's budget. This requires political will. While no one would argue that we should sack all public sector workers, the excessive bloating of the civil service in the federal and state governments is simply not sustainable, given the already prevalent degree of poverty.

---

***In Nigeria, most of the populace appears not to understand the difference between this government function and monetary policy which is the management of the money supply and price stability a central or reserve bank.***

---

---

1 Frederick Cooper, *Africa Since 1940: The Past and the Present* (Cambridge: Cambridge University Press, 2002), Chapter 7.

2 Kingsley Moghalu and Nonso Obikili, “Fiscal Policy During Boom and Bust”, forthcoming in *Oxford Handbook of Nigerian Politics* (Oxford: Oxford University Press, 2018).

# Vision 21

---

## FOREIGN EXCHANGE POLICY

IN THE WAKE OF THE OIL PRICE DECLINE THAT BEGAN IN 2014, THE VALUE OF THE NAIRA WAS INEVITABLY AFFECTED, AS FOREIGN reserves provide the main anchor to the value of the currency in a commodity that depends, for its foreign exchange, mainly on a single commodity: crude oil. The objective of Nigeria's exchange rate policy should be a stable (but not immovable) currency, the exchange rate of which broadly reflects both an approximation of its true market value as well as Nigeria's broader economic interests. This raises the question: between a fully flexible exchange rate (full float) and a peg or a managed float of the currency, where does Nigeria's national interest lie? Answer: whichever will make Nigeria's economy more efficient and encourages production.

Two points need to be made here. First, with extremely few exceptions such as Canada and the United States, the central banks of the advanced industrial economies that mainly use flexible exchange rate policies manage their currencies through occasional interventions in financial markets to stabilise those currencies. They also carry out occasional competitive devaluations, in this case because they are productive, export-oriented economies.

Second, the naira's (and our economy's) woes were exacerbated by the Central Bank of Nigeria's prolonged pegging of the naira to a fixed, artificial exchange rate of 199 naira to the dollar, when all the rational economic factors that previously sustained this exchange rate had collapsed, rendering the peg unsustainable. This contributed to black market devaluation-fueled inflation, and unemployment, as manufacturers could not access forex at the official rate and output productivity dropped sharply. This was a major contributing factor to the recession.

The fundamental problem for forex policy is the absence of a productive economy. Two most important aspects of this challenge are electric power to support the growth of a productive, manufacturing industrial economy, on the one hand, and removing the obstacles international trade policy places on our industrialisation prospects by stymying the viability of our local industries, on the other. Cheaper foreign manufactures have easy access to our markets. Conversely, our own manufacturers are unable to access foreign markets because value-added goods from our country are blocked by high tariffs imposed by our trading partners (but our raw materials for their own industries are welcome and attract low tariffs!). Quality standardisation concerns also dog Nigerian exports.

What is the solution? We need to shift from the never-ending quicksand of gas-based power to a focus on renewable (solar, wind, geothermal and biomass) energy for household consumption and hydro and coal-based power for industrial production. And we need to impose "smart" protectionism through high tariffs that can be justified under the rules of the World Trade Organisation, on imports from foreign markets that are snuffing out our local industries in several sectors such as textiles. Absent these two policy approaches, Nigeria's economy will not attain its potential.

If these policies are combined with a flexible exchange rate policy that makes export-oriented value-added products more profitable than importation, the naira will ultimately realise a beneficial effect. This is the answer to understandable concerns about the absence of any benefits from prior devaluations. Those devaluations, though involuntary because of external shocks to which the nature of our economy exposes us, only imported inflation. That reality was not offset by any benefit because there were no complementary policy actions in other economic sectors outside of finance.

**In the case of Nigeria, it can play the key roles of attracting much needed forex liquidity in the market...**

Second, and related to this, is the evident absence of a strategic linkage between fiscal policy, which is the role of the Ministries of Finance and Planning/Budget, and monetary policy which is the central bank's domain. A central bank can contribute to national economic policy, but does not on its own make such policy in the holistic sense.

Rather, monetary policy complements a robust fiscal policy by maintaining monetary and price stability. This role can be a defensive one where fiscal policy is deficient. For instance, a central bank may raise interest rates if it believes there is excessive, politically inspired “fiscal dominance” that can trigger inflationary trends. The absence of a solid, comprehensive fiscal strategy is one reason why the CBN is overburdened with quasi-fiscal functions and ever-increasing development finance interventions.

Third, the CBN itself needs to develop a more strategic approach to monetary policy and financial stability, even within the limitations of the absence of a larger national economic blueprint. The Bank’s responses to the challenges of the past few years have appeared short-term, reactive, episodic and experimental, and without a larger plan of action that is evident to all Nigerians, the financial markets, and foreign investors.

Fourth, adequate understanding of basic economic principles that should inform public policy is lacking in our country’s populace, and even (most consequentially) in the government. Populism often reigns as a result, as emotional passions take hold and get translated into the “national interest” or that of “the masses”. Zimbabwe and Venezuela offer sobering examples of this kind of approach to economic problems. Meanwhile, other oil and commodity producers have made (certainly painful) adjustments to their currencies in response to changed fundamentals in the past two years. Even the great British pound sterling sharply lost value as a consequence of Brexit

Fifth, the modern world and the fickleness of its financial markets requires highly adept communication by central banks. The CBN cannot escape the need to communicate effectively to Nigerians the fundamentals of the naira’s travails, and its plan to meet evolving challenges.

Sixth, the institutional and policy autonomy of the CBN has been greatly compromised since mid-2014. Anecdotal evidence suggests that what ought to be an independent central bank has been run in recent years as a mere appendage of the Presidency. The consequences of this state of affairs on our economy, including on investor confidence, are clear for all to see. There are very sensible reasons why the laws of Nigeria provide for the independence of the CBN in the exercise of its functions, as in the case with the central banks of many nations that are making economic progress. Recent negative trends in the Nigerian economy have borne out the foresight in this principle. It is the duty of a central bank to tell a political leader not necessarily what he or she wants to hear, but rather what the leader needs to know. This is what national interest and professionalism require. It also is a foundational basis for a serious response to economic crisis.

**...our own manufactures are unable to access foreign markets because value-added goods from our country are blocked by high tariffs imposed by our trading partners...**

The CBN needs to educate Nigeria’s political leadership class, for example and especially in connection with devaluations of the naira since 1985, on the global implications of the evolution of the international monetary system since 1914. Fixed exchange rates worked well only when the whole world used them. Currencies were pegged to gold from 1870 up to 1914, and then to the dollar which itself was backed by gold, after 1945. This was abandoned in 1971 when the US dollar became unable to maintain its value of \$35 for one ounce of gold. Countries progressively adopted floating exchange rate regimes of various shades and complexities, and fixed exchange rates were completely abandoned by most countries in 1985. Nigeria’s economy was of course not left untouched by this evolution.

Today, we know that fixed exchange rates, though they may appear to provide an appearance of stability, are largely inappropriate for the nature of the contemporary world economy, and tend to cause currency crises as we saw with Mexico in 1995 and the Asian and Russian currency crises of 1997. Flexible exchange rates, on the other hand, can also engender instability, especially for developing countries. This is why many countries have a “managed float” of some sort or the other. We have done this for most of our history as a country, but the circumstances today differ fundamentally from yesterday’s.

Today as well, we have a politically induced multiplicity of exchange rates (including subsidised rates for spiritually important but nevertheless economically unproductive religious pilgrimages abroad!). The forex market is essentially on life support not from real economic activity including foreign investment, but from monopolistic interventions by the CBN. This poses two problems for economic growth. One, if the recovered price of oil were to crash again tomorrow, sustaining these interventions will become increasingly difficult. The policy stance therefore engenders, fundamentally, macroeconomic instability. Two, subsidising the market price of dollars continues to promote an import-dependent economy. This approach will not lead to a productive economy and real economic growth. This is yet another example of how crude oil dependency has fundamentally distorted our economy and prevented us from achieving sustained economic growth.

The economic precept that no central bank can have at the same time a fixed exchange rate, free movement of

capital, and an independent monetary policy (a choice of two of these must be made, while markets determine the third) still holds sway. Floating exchange rates, despite their risks (which can be managed) serve the very useful function of letting monetary policy serve purposes beyond certitude. In the case of Nigeria, it can play the key roles of attracting much needed forex liquidity in the markets, and nudge the economy towards a more productive state when combined with effective trade and industrial policy.

---

*The objective of Nigeria's exchange rate policy should be a stable (but not immovable) currency, the exchange rate of which broadly reflects both an approximation of its true market value as well as Nigeria's broader economic interests.*

---

# Vision 22

---

## RESOLVING NIGERIA'S INFRASTRUCTURE CONUNDRUM

NIGERIA'S INFRASTRUCTURE SECTORS ARE HOBBLLED BY AMBIVALENCE AND DELUSION. AMBIVALENCE, BECAUSE THE FEDERAL government is clearly uncertain about whether its task is to operate these sectors, or to enable the private sector to operate in them, business, or both, even though it has since Independence clearly been unable to do both successfully. Ambivalence also about whether or not it should reform the various infrastructure sectors and, if so, how. Delusion, in the sense that successive Federal administrations believe they can continue to own, control and subsidise parastatals operating in these sectors, mostly as monopolies, without achieving adequacy of supply or high service quality standards in any of them.

The consequence, as our population marches towards 400m by 2050, is that in every sector, Nigeria's infrastructure stock is of far less quality or quantity (often both) than its people deserve and require to enable a good standard of living and the efficient flow of goods and services across the country. Nigeria's massive infrastructure deficit has not only held back national socio-economic growth, its absence has also contributed significantly to the inability of ECOWAS to realise the ambitions and expectations of its founding fathers. Quite unintended, therefore, our deficient and inadequate infrastructure in Nigeria also directly affects ECOWAS negatively and is one of the major reasons for the heightened state of poverty and insecurity across West Africa.

Here I make summary proposals to remedy this situation. These solutions revolve around establishing enabling statutory/contractual environments for private investment; and professional, disciplined and timely project preparation and procurement of both domestic and foreign investment and expertise by the private sector. Sound, competent, forward-looking economic and monetary policy management by the federal government will underpin these two overarching strategic solutions.

### **Air Travel, Airports and Airspace Management**

The true value of private sector investment and management will be revealed by the extensive investment in the Nigerian aviation sector. Emphasis should be placed on ensuring thorough adherence to international airline safety and operating standards. Policy and regulation will be focused on the consolidation of airlines and the strengthening of their balance sheets by promoting the injection of new domestic and foreign capital and better-quality management. Our international and second-tier domestic airports will be placed under private ownership, while the federal government will concentrate particularly on investing into better protection and management of national airspace.

### **Energy**

The value of the electricity reform programme has been depressed by three fundamental errors. First, the failure of the federal government to invest capital expenditure commensurate with its 40 per cent equity retained in the distribution companies; second, the continued tight grip of the federal government over gas and electricity transmission without investing adequately in them; and, third, the failure by the electricity regulator to establish an optimal market design that attracts private capital and management. Nigeria is a natural gas province and the primary use of this endowment is in electricity generation. Therefore, the first of four primary strategic objectives of energy infrastructure reform should be to establish joined-up gas and electricity markets that work together under a single statutory, contractual and regulatory framework.

The second is the technical and commercial restructuring of Nigeria's gas and electricity transmission companies to regionalise them, and then prepare and procure concessions for their funding, expansion and operation. The third is to create a policy environment that takes full advantage of the renewable energy revolution and enables many more people in both urban and rural areas to go off-grid by deploying home-based renewable energy systems. The fourth is to revamp the distribution companies by a recapitalisation process that restructures their balance sheets, ownership and management structures.

The sum effect of these four separate but connected objectives is to drive the evolution of the Nigeria's gas and electricity sectors into genuine markets that form the sorely needed foundation for industrial and commercial expansion.

Beyond this, my vision for energy in Nigeria is one in which, while hydro and gas will power industrial zones in Lagos/Ogun State, Kano, Nnewi/Onitsha and Aba, most Nigerians will Utilise renewable (solar, wind, biomass, and others) energy for domestic use. The market for renewable energy supply should be opened up and expanded with policy and incentives that create an enabling environment for the dominance of renewable energy.

### **ICT and Media**

The Information Communication and Technology (ICT) industry is Nigeria's most advanced infrastructure sector in terms of extent, depth and quality of infrastructure. Yet, it desperately needs is to reduce the cost of doing business, primarily by reducing the cost of electricity supply. This is primarily by getting telcos to go off expensive distillate-fuelled base load power and on to consistent and reliable public power supply or renewable energy-powered off-grid systems. The other primary focus of intervention in this sector will be to develop and implement policy to enable investment in fibre optic cable-based long distance national and regional backbone communications.

Apart from these, policy measures should be established in detail to promote digitisation of broadcasting networks and their convergence with computing, telecommunications and media networks in a manner that minimises monopolisation and abuse of dominant positions and brings the benefits of competition and e-commerce to consumers.

### **Land Transport (Road and Rail)**

With over 200m metric tonnes of freight carried across the country in 2015, almost entirely by road and almost none by rail, three realities have become apparent. First, the national intra- and interstate highway networks across the country are collapsing under the weight of carrying all freight and passenger traffic within the country. Second, the federal government does not have enough funds to support investment into the road sector, speak less of rail. Third, the Nigeria Railway Corporation obviously does not have the capacity to manage and fund the construction, maintenance and operation of the national rail network. Fourth, even though a huge amount of debt is being taken on to build a standard gauge rail network, there is no clarity around the viability, funding and completion of the thousands of kilometres of lines being built across the country; and above all, the operation of these lines.

**Regulatory policy in these sectors need to be reviewed to focus on identifying and appointing competent and respected individuals...**

The strategic objective for land transport, therefore, is to bring about synergy between road and rail transport links by creating a hub and spoke rail intermodal hubs/inland container depots (ICDs). These ICDs will be built around specific cities across Nigeria selected by users purely on technical and economic viability, as opposed to political, grounds. Interstate road links radiating from these hubs will be rehabilitated. ICDs will be entirely private sector built, owned and operated. The ongoing rail narrow gauge concession will be supported and accelerated while the ongoing standard gauge construction will be reviewed and redesigned to create synergies with the former. The aim will always be to expand the national rail system in a manner that is economically viable and sustainable.

### **Conclusion**

While there is a much talked about the National Infrastructure Plan, two other overarching strategic imperatives have been ignored. First, little has been done in the over 10-years since it was first developed, to ensure synergies amongst the various elements of the plan, establish economic viability, business, technical and funding plans for them and then prepare them for procurement, funding and execution.

The single biggest obstacle to this is the failure of key federal government MDAs – the Ministries of Finance, Power, Trade and Investment, Transportation, Works – and the various privatised entities and federal government parastatals, to work together to prepare these projects for procurement and sell them to the investing public. Second, each of these infrastructure sectors have regulatory frameworks and entities that in some cases have proved to be incompetent, while in others they are almost non-existent and oblivious of the needs of the consuming public, operators, players and investors.

Therefore, attention must now be devoted to developing clearly defined policy documents that recognise the importance of genuine and properly procured public-private-partnerships (PPPs) in the realisation of the National Infrastructure Plan. These will lay out actions to procure such PPPs in the fastest and most cost-effective manner. The objective is to derive the greatest amount of investment and expansion of service across Nigeria and,

subsequently into the ECOWAS sub-region.

Finally, regulatory policy in these sectors need to be reviewed to focus on identifying and appointing competent and respected individuals with the right temperament and extensive and deep sector expertise as regulators. The review will also focus regulators on enabling the creation of efficient markets that drive operators to improve the depth and quality of services they offer, while also enabling them to derive the returns that efficient investment and quality service offerings deserve.

There are no illusions about how easy the tasks outlined above will be easy. Their execution will be resisted every step of the way, particularly from special interests within the federal government itself, but I have no doubt that strong and focused political will coupled with competent, honest leadership across key MDAs that avoids capture by special economic or political interests will win the support of Nigerians and ultimately get the job done.

---

***Nigeria's infrastructure stock is of far less quality or quantity (often both) than its people deserve and require to enable a good standard of living and the efficient flow of goods and services across the country.***

---

# Vision 23

---

## HEALTH IS WEALTH: TRANSFORMING NIGERIA'S HEALTH SYSTEM

THE STATE OF THE HEALTH OF A COUNTRY HAS FAR REACHING IMPACT ON ECONOMIC AND SOCIAL DEVELOPMENT AS WELL AS political stability. Nigeria with over 170 million people is the most populated country in Africa, and is set to become the world's 4<sup>th</sup> most populous country by 2050. High fertility rates, which unfortunately coexist with persistently high infant mortality rates and low life expectancy at birth, have resulted in a progressively steeper pyramid-like demographic profile and much higher population dependency ratio than comparable countries.

Nigeria's health outcomes are among the worst in the world, significantly worse than countries with comparable resource investment in health. The increasing incidence of non-communicable diseases due to lifestyle changes are placing an additional burden on a healthcare system already struggling with high prevalence of infectious diseases. Huge inequities in access to healthcare have driven significant intra-country variation in health outcomes. Poor and rural Nigerians, mostly concentrated in the rural north, have fared the worst. This inequity has assumed an even more critical dimension with the violence and conflict in the North East.

### **Why Healthcare Has Failed**

#### ***Weak Government Stewardship of the Health System***

Weak institutional capacity at the level of the federal government (largely driven by poor staffing mix, inefficient administrative processes, weak monitoring mechanisms for policy implementation) hinders effective coordination and management of the health system. As a consequence, the Federal Ministry of Health and its parastatals struggle to galvanize stakeholder interests and resources around one national health strategy. Similarly, poorly resourced state health ministries and local government areas are unable to effectively manage the delivery of primary health care services which is the foundation of the national health system.

#### ***Inadequate Funding***

The Nigerian health system is grossly under-funded, with the Federal Government consistently investing less than 5% of its annual budgets in health over the last decade. As such Nigeria has consistently failed to meet the Abuja Declaration (2001) where she pledged along with other African countries to commit at least 15% of annual budgets to health. The health system is largely privately funded, with household out-of-pocket spending accounting for 66 percent of expenditures. Health insurance accounts for much less than 10 percent, leaving most of the population without financial risk protection. Health outcomes from the funds expended on health in Nigeria is sub-optimal due to inefficient fund flows through complex channels marred by corrupt practices. With total health expenditure per capita of \$ 115, Nigeria still records poorer health outcomes than countries like Kenya and Ethiopia who spend \$45 and \$25 per capita respectively.

#### ***Shortage of Skilled Health Workforce***

Nigeria, like many developing countries, falls significantly short of World Health Organisation (WHO) recommendations for minimum health worker density of 2.3 per 1,000 population required to provide basic essential health services. The shortages are worsened by out-migration of health workers in search of better standards of living, working conditions, and career advancement opportunities. In addition, frequent industrial disputes among different health professional unions or with government have resulted in chronic loss of productivity and depleted public trust in the health system. The uneven distribution of qualified health workers with most located in urban health, further worsened shortages in the rural areas.

#### ***Poor Quality Service Delivery***

Chronic under-investment in health infrastructure, health worker shortages and absence of documented regulations

on acceptable standards of care, or weak mechanisms for monitoring them, all contribute to unsatisfactory patient safety and experience in the Nigerian health system. Physical health infrastructure is mostly dilapidated, while medical equipment, where present, are rarely well maintained and quickly become obsolete.

Dysfunctional medical supply chain systems result in frequent stock-outs of essential commodities and drugs at health facilities. As a result, citizens who can afford it often seek health care abroad – a phenomenon quaintly termed “medical tourism”. It is estimated that Nigeria loses about US\$1 billion annually to the medical tourism. The poor quality of data generated at all levels of the health system hampers planning, resource allocation as well as prompt evaluation of outcomes of health programs.

### ***Weak Demand for Services by the Poor and Vulnerable***

The chronic neglect of the health system has led to an erosion of public confidence and trust in the ability of the health system to meet the basic health needs of Nigerians. As a result, the demand for health care services especially at primary health centers is poor and consequently services are under-utilised. The rural population often prefer to patronise alternative providers like traditional birth attendants and patent medicine vendors.

### **Opportunities**

The challenges faced by the health system are not insurmountable. Many opportunities exist within our national context to kickstart improvements in the health system. Perhaps the single biggest opportunity to expand access to health care rapidly and sustainably will come via leveraging information and communication technology (ICT) capabilities. A large number of indigenous Nigerian tech start-ups are developing context specific solutions that hold the potential to strengthen health information systems, expand access to treatment and diagnostic services, propagate e-learning, strengthen drug supply chains and drive demand for health insurance services.

Additionally, the passage of the National Health Act 2014 established a Basic Health Services Fund, which will significantly expand the pot of funds available for the provision of preventive and essential treatment services when it becomes operationalised. With Nigeria on the verge of eliminating polio, it enjoys the visibility and goodwill of several global philanthropies such as the Bill and Melinda Gates Foundation and foreign governments in healthcare funding and interventions.

This presents an opportunity to galvanise international support and resources for a more comprehensive and ambitious health agenda. However, this will require a restoration of the political commitment and accountability which has been lost with past incidences of misuse and embezzlement of donor resources. Nothing, however, takes away from the responsibility of the federal and state governments in Nigeria for the healthcare of its citizens. International donor funding can only be an adjunct, and cannot replace domestic resources for healthcare. Such resources, in turn, will reflect the political will to prioritise healthcare.

### **Repositioning for Universal Health Coverage**

Leveraging existing opportunities, the incoming Federal Government of Nigeria in 2019 can execute a suite of systems strengthening interventions that will reposition Nigeria to deliver universal health coverage to its population.

### ***Political Commitment to Health System Transformation.***

This will require aggressive reform of the public service to play an effective stewardship role. The Government will articulate and share its health systems transformation agenda that establishes the critical role of health in driving economic and social development. Its unquestionable commitment to prioritisation of the health sector can be demonstrated by adhering to the Abuja declaration by allocating 15 percent of annual government budgets to health. This will send clear signals and secure lasting commitment of sub-national governments and development partners (including multilateral and bilateral organisations, private sector and Foundations) to support the transformation agenda.

To restore stakeholder confidence in the ability of the public service to execute the agenda, all political appointments to the Health MDAs need to be merit-based. An aggressive reform of the Ministry of Health and its parastatals must be undertaken to ensure the public service is positioned to effectively lead national health planning, policy development, and overall health sector coordination.

This will involve establishing a functional system for deployment of personnel with the right competencies, streamlining inefficient processes and deploying appropriate work tools required for effective delivery on government or institutional mandates. In addition, rigorous and transparent score-cards will be instituted to track performance in the health sector and hold all actors accountable for their results.

### ***Strengthen Primary Health Care***

Delivery of cost-efficient primary health care services focused on preventive care, driven through a strong routine

immunisation program, basic maternal and child health services, as well as treatment of endemic diseases especially malaria will be the core of the transformation agenda. The operationalisation of the National Health Act of 2014 will unlock the basic health care provision fund and as such expand the fiscal space for PHC service delivery across the country.

Tailored community insurance schemes with matching contributions from both federal and state governments will be established to ensure rapid coverage of the majority of the rural poor with basic maternal and child health services including family planning. Focus will also be placed on services targeting internal displaced populations especially in the north east. The capacity of states and local government areas to effectively manage PHC programs will be enhanced through the full implementation of the PHC-under-one-roof policy, as well as the establishment of strong financial management systems to ensure all expenditure is accounted for, reducing waste and corruption.

### ***Tackle Critical Health Workforce Challenges***

A new administration should engage transparently with professional unions to develop policies that sustainably address issues with salary structure adjustments, working conditions, career advancement and eligibility for leadership roles in health institutions. In addition, the Government should refine the entry requirements and terms of engagement for the health workforce in the government hospitals and health centers. This will involve a comprehensive review of the performance management system to better track work output of all personnel and link this to reward or sanctions, thereby refocusing health workforce productivity. Service rotation programs should be introduced to enable health workers voluntarily alternate their service in rural and urban areas. Significant incentives (e.g. rural allowances) will be provided for health workers domiciled in rural communities.

**The increasing incidence of non-communicable diseases due to lifestyle changes are placing an additional burden on a healthcare system already struggling with high prevalence of infectious diseases.**

Furthermore, targeted interventions will be deployed to mine the expertise of Nigerian health professionals in diaspora. With the advancement of technological platforms, remote capacity building and treatment support interventions can be enhanced while emigres are still in destination countries. A national platform will also be established to facilitate interactions among the government, associations of health professionals in diaspora, private sector players and development partners with the aim of establishing linkages that foster partnerships and collaborations that encourage the diaspora to bring their skills and resources back home.

### ***Establish Clear Service Quality Standards***

The government will channel significant resources to clearly define health service quality standards and set up transparent systems to rigorously track adherence of health facilities to the standards. This system will involve an independent accreditation of all health facilities (public and private) and deploy standardised balanced score cards tailored to primary, secondary and tertiary health facilities. Public-private partnerships will be explored to improve the management of public secondary and tertiary health facilities. This intervention will refocus attention on client-focused care with enhanced patient experience, address the proliferation of quacks, empower patients with information about facilities and foster competition among providers.

### ***An eHealth Strategy***

The federal government will coordinate all stakeholders including young tech innovators and entrepreneurs to articulate a coherent eHealth policy framework which will be a core pillar of all future National Strategic Health Development Plans. This will involve integrating eHealth into the curriculum of health training institutions across the country, providing seed funding for promising start-ups and executing partnerships between with health facilities to drive testing, adoption and diffusion of game-changing context specific technology solutions.

### ***Multi-sectoral Integration***

A multisector collaboration will be deployed to drive wellness and health for the population. This will involve collaborations with the agricultural, manufacturing, education, labor and water resource sectors drive wellness and health. The integration will enable efficient use of resources to combat the ills of malnutrition, lifestyle diseases like obesity and heart disease, water-borne and hygiene-related illness.

---

*Nigeria with over 170 million people is the most populated country in Africa, and is set to become the world's 4<sup>th</sup> most populous country by 2050.*

---

# Vision 24

---

## MANAGING NIGERIA'S ECONOMY

ECONOMIC MANAGEMENT SHOULD BE OVERHAULED. IN MY VISION OF ECONOMIC GOVERNANCE, THE PRESIDENT WILL ESTABLISH A full-time Council of Economic Advisers. The Council, headed by a Chairman that will serve as Chief Economic Adviser, will research and monitor the economy 24/7 and advise the President on actions to take to enhance economic growth. This council, composed of 5 or 6 members, should be Nigeria's economic team. Ministers holding economic portfolios should not be members of this team; rather they should focus on execution and the achievement of targets set by the President, as advised by the Council of Economic Advisers. The Council's members should have expertise in the main areas of economic growth ambition or policy such as fiscal policy (in particular taxation reform), industrial policy, trade policy, energy economics, and economic history, economic philosophy and political economy.

This is a different, more sophisticated and effective way to manage Nigeria's economy. It will be superior to what we have known since the Obasanjo presidency as the "Economic Management Team" (EMT). That concept was based on coordination between several ministers and heads of parastatals whose mandates have implications for the economy. The team was headed by Ngozi Okonjo-Iweala, the Minister of Finance in the second term of Obasanjo's presidency. Under her coordination the team recorded important achievements. In the Jonathan presidency the EMT was chaired by President Jonathan himself, with Okonjo-Iweala (second-time Minister of Finance but this time with the added responsibility of "Coordinating Minister of the Economy") as the Coordinator of the more operational Economic Management Implementation Team (EMIT).

This approach to economic management had some advantages. The Obasanjo second term was one in which several economic reforms, in particular of an institutional nature, were firmly established. Driving these reforms was seen as requiring cooperation across MDAs. But, especially in the Jonathan presidency, this arrangement proved increasingly superfluous and sub-optimal.

There were two reasons for this reality. First, like most aspects of governance in Nigeria, it was not guided by a well thought out economic philosophy or worldview as a guiding principle of economic management. It could not delve deeply into medium and long-term economic planning for structural transforming but rather was a forum for more short-term reviews of broad economic performance.

It is no surprise then, that the growth that was achieved in those two governance epochs was not as inclusive as it should have been in order to lead to real economic development, and on to structural transformation of the Nigerian economy. Several members of the teams in both eras were not equipped with the intellectual knowledge or depth in economic thinking, and so were mostly operational in their approach to economic decisions and reforms.

The EMT also became what could be considered an "article of snob appeal", as the access to the President its membership created became a politically sought-after currency, but not for the right reasons. In the Jonathan era its composition included several captains of the private sector, which further made its deliberations more oriented towards business interests than to strategic economic thinking and planning. While the EMIT was more substantive in its deliberations, the EMT became essentially a forum in which ministers who were not members elbowed to gain entrance to the elite group, and heads of MDAs lobbied to have "face-time" with the President by having the opportunity to score brownie points with power-point presentations focused on their activities and wish-lists that had little relevance to what a real economic team should have been doing in the first place.

**The Council's members should have expertise in the main areas of economic growth ambition or policy such as fiscal policy**

This is why the economy should be managed in a much more serious, professional and intellectual manner that

drills down into the elements of strategic economic development and transformation and ensures that the political leadership is presented with professional advice and research. The role of Ministers is an operational one, and they should focus on that mandate. An economic team headed by a Chief Economic Adviser should be more removed from the daily operational concerns of the government and provide more strategic economic guidance.

As for business, their legitimate and important concerns should be handled by a separate State-Business Relations Council (SBRC) that focuses on enabling the business environment through ease-of-doing business reforms, and foreign investment. When heads of business conglomerates – some of who may have been political financiers to the government of the day – are involved in economic policy, which is really the responsibility of an elected government and its political leadership, it can skew the deliberations of an economic management team in ways that are sub-optimal.

This question of economic management was again highlighted by the performance of the Buhari government in responding – and undoubtedly contributing to – the economic recession of 2015-2017. This time it focused on the question of qualifications for economic management.

Just how much, then do economists matter in Nigeria's economic management? The answer, in my view, suggests that, as discussed in the previous chapter of the politics-economy nexus, much depends on the competence of the elected political leadership.

Economists certainly do matter, but in the context of national economic management in Nigeria only if they also are economic thinkers. Not all persons who hold degrees or certificates in economics are economic thinkers. Not all economic thinkers hold formal economics degrees. The history of the world economy and many national economies has been shaped by economic thinkers. Some of these minds are technical economists, and others are not.

We recently came out of a recession. Beyond that, Nigeria faces even more fundamental economic challenges such as achieving real economic diversification that must be anchored on industrial manufacturing and exports of value-added products rather than raw commodities or minerals. Critics and analysts have raised questions about the competence of economic management in Nigeria today and in recent years. And we have heard it bandied about that part of the problem is that the economic management team does not include notable economists and has “too many lawyers”.

The matter is more nuanced. In engaging in recession-induced ruminations on the economy, economics and economists, the real question we should be asking is whether the economy is being managed with a clear economic vision, substantive depth of knowledge of the issues that confront us, and exactly what steps to take in addressing them. The team with that task certainly should include technical economists. But something more fundamental is needed, because Nigeria has never lacked for economists, inside and outside government. Yet we have not been able to diversify our economy away from oil after more than four decades. We remain a poor nation and have not been able to create the wealth of nations, only that of a few individuals. Part of the problem is that, after all these years, even our economists have gotten it mainly wrong. This doesn't mean that economists don't matter. It just means, in my view, three things: that they are not infallible, political will also has not been consistent, and the necessary policy space and empowerment has not always been forthcoming.

Economic thinkers have philosophical foundations. They have big and bold ideas about economic phenomena and their application to economic policy and to societies. Nigeria lost the plot on economic transformation after the era of truly distinguished economists like the late Dr. Pius Okigbo and Prof. Adebayo Adedeji. These were transformational thinkers and policymakers who authored original, authoritative writings on economic policy and economic transformation.

The economies of the wealthy industrialised nations have been heavily influenced by economic thought and fertile minds. Adam Smith, the British author of the commanding economic work “The Wealth of Nations”, is regarded as the founder of the modern economic profession. He was a moral philosopher with no formal training in economics. His famous 19<sup>th</sup> century book was an original work that set out a clear, easy-to-understand intellectual argument for the capitalist mode of production, organisation and free markets.

David Ricardo was a stock and loan broker. He similarly had no formal training in economics, and became a professional economist only after reading Adam Smith's magnum opus. Ricardo's 1815 “Essay on the Influence of a Low Price of Corn on the Profits of Stock” propounded the economic law of diminishing marginal returns when a fixed resource such as a fixed amount of land is worked for production. Ricardo's most famous contribution to economic thought and policy, however, is the theory of comparative advantage that became the cornerstone of world trade.

**Part of the problem is that, after all these years, even our economists have gotten it mainly wrong.**

The (also British) economist John Maynard Keynes remains arguably the most influential economist of the 20th century. Keynes, who played a key role in the establishment of the Bretton Woods institutions (the International Monetary Fund and the World Bank), influenced a strong role by governments, through deficit spending, in economic recovery after World War II. He rebutted neoclassical economic thought and its worship of free markets. The success of his ideas at the time is reputed to have “saved capitalism from itself”. Keynes studied classics and mathematics at Cambridge University. He had only an eight-week undergraduate training in economics and never sat for an exam on the subject! You cannot discuss Keynes without his subsequent critic, the great American economist and Nobel Laureate Milton Friedman who challenged Keynesian pro-growth fiscal management with a focus on “monetarism” (the role of the money supply), floating exchange rates and financial stability. Friedman’s economic philosophy helped the United States central bank, the Federal Reserve Bank, to slay inflation in the 1980s and helped contain the impact of the global financial crisis of 2008.

Three contemporary economists wield great influence today. One is the Nobel Laureate Joseph Stiglitz, famous for his cogent and powerful critiques of globalisation and its conventional wisdoms in his book “Globalisation and Its Discontents”, Justin Yifu Lin, the Chinese development economist and (like Stiglitz) a former Chief Economist of the World Bank who has explained the intellectual, philosophical and policy thrusts of the Chinese economic miracle, and Thomas Picketty, the French economist whose hugely influential recent tome “Capital in the 21st Century” questioned wealth and income inequality in Europe and the United States and has sold more than three million copies.

The underlying point is that intellectual and philosophical thought and inquiry on economic questions, and its application to public policy, is what makes a difference in the wealth and poverty of nations. This intellectual depth and rigor is what is needed in Nigeria’s economic policymaking framework today, and it is against its presence or absence that our economic policymaking should be judged. This necessary attribute for economic transformation assumes an understanding of economic philosophy and economic science, as well as (preferably) practical experience and track record in economic policy making. But it does not necessarily require a formal degree in economics.

Economic development, in reality, involves the application of several different disciplines. This is why, although technical economic-statistics number crunchers must provide inputs into economic policy for the policy process to have rigor and integrity, superior economic policymaking requires a variety of skill sets. Despite its claims to scientific status, the “dismal science” is still a social science, not a physical or biological one. It is neither medicine nor engineering, much less nuclear physics (which is why unanimity amongst economists is impossible). And so, as we have seen, some of the most influential economists in modern history were not formally trained or certified in the subject. If we were to follow the rather narrow view of who is an economist, we could come to the fantastically ridiculous conclusion that immortal economists such as Maynard Keynes were not economists at all!

Gordon Brown, a former British Prime Minister and a former Chancellor of the Exchequer, was one of Britain’s most successful finance ministers, but he holds bachelor’s, master’s and doctoral degrees in history. Christine Lagarde, the head of the International Monetary Fund, is a lawyer who was previously finance minister of France and prior to that the head of the global law firm Baker and McKenzie. Chief Obafemi Awolowo, a lawyer, was a highly successful Federal Minister of Finance in Nigeria. There are too many other examples to mention at home and abroad. And we should not forget that the economic transformations of China and Singapore were driven by economic policymaking elites dominated by engineers and lawyers respectively. In many cases it is the ability, depth and agility of intellect to understand, master and apply economic thought that matters.

The real questions that confront us in Nigeria are those of development economics and political economy. That means understanding and settling four main issues of development economics. The first is the linear stages of growth model which assumes (not always correctly) that increases in capital investment automatically result in greater economic growth. The second is the question of how to achieve structural change from a subsistence agrarian society to an industrial manufacturing and service economy. The third is where to place theories of international dependence that believe that the roadblocks to our development are essentially external rather than internal. And the fourth is the neoclassical or free market approach to development which argues that markets should be left largely unregulated and that governments should “hands-off” the steering wheel of the economy.

Economics as a profession undoubtedly matters, even if it has been controversial for several reasons. One reason why it has not become more influential than it already is, is a tendency to deny the influence of other, non-economic factors (good or bad) such as politics and culture in shaping economies. The subject has also become increasingly inaccessible to publics over time as its disciples have resorted more and more to the esoterica of mathematical models. Economists are divided on this evolution. And the failure of economists (save one or two solitary ones) to predict the global financial crisis and the great global recession that followed, has done economics and economists no favors. Indeed, the promotion by some economists of behaviors and theories such as the “efficient market hypothesis” that resisted the effective regulation of financial markets and resulted in the booms and busts of banks

and stock markets has humbled the discipline further.

Most importantly, economics matters for Nigeria. The sensible application of rational economic principles to statecraft must consciously overturn the dominance of political, populist and vested interest factors in policymaking that has been the biggest obstacle to Nigeria's development. For this reason, we must prioritise and popularise economics amongst both the populace and our political leaders.

We must understand that contextualising economics is more important than an attachment to classical dogmas to which many persons who studied for degrees in economics are wedded in Nigeria. Just who really is an economist is a question of appropriate debate, especially in the context of the challenge of managing our economy to real development. Richard Thaler won the Nobel Prize for Economics in 2017 because of his work integrating economics and psychology in individual economic decision-making, challenging the classical theory of *homo economicus* or rational man, and expanding the increasingly influential field of behavioral economics.

This is important for Nigeria's future. We are still a poor country mainly because we have as a nation failed the test of macroeconomic management and structural economic transformation. A famous slogan in the then US presidential candidate Bill Clinton's political war room in the early 1990s read: "It's the economy, stupid!". Our economy must be managed under a new vision of intellectually robust economic thinking – whether by persons with traditional economics degrees or not – if we are to make progress.

---

***The Council, headed by a Chairman that will serve as Chief Economic Adviser, will research and monitor the economy 24/7 and advise the President on actions to take to enhance economic growth.***

---

## **PART FOUR**

---

**Our country's place in the world must be restored. Every foreign policy must advance the country's national interest in an effective manner. The country's citizens must directly feel the positive impact of the country's foreign policy exertions.**

**Unless the domestic environment is propitious and anchored on good governance, until the internal structures and institutions are strengthened for them to work functionally and concertedly, unless Nigeria's national interest, the underlying principles, philosophy, goals and objectives are clearly enunciated, Nigeria cannot pursue an effective foreign policy.**

# Vision 25

---

## CREATING EFFECTIVE FOREIGN POLICY

NIGERIA'S FOREIGN POLICY IS CURRENTLY IN DOLDRUMS. IT HAS FAILED TO ADEQUATELY AND EFFECTIVELY PROTECT AND PROJECT Nigeria's national interest in the international arena. At the normative level, the country has continued to punch below its weight. We have failed to demonstrate leadership through the quality of ideas we espouse, and in not seeking to build regional consensus behind those ideals and to mobilise the support for those ideas in the international society of states.

Our country's place in the world must be restored. Every foreign policy must advance the country's national interest in an effective manner. The country's citizens must directly feel the positive impact of the country's foreign policy exertions. Instead, there have been ad hoc, timid and reactive responses to issues and events germane to Nigeria's national interest at a time in which was required was a proactive mastery and appreciation of events and a clear understanding and articulation of the various options available to our government.

This requires that the foreign policy community in Nigeria which seeks to make inputs into the making of the country's foreign policy be better organised, structured and broadened. Other segments of Nigerians whose interests and aspirations the country is expected to project abroad need to be included in foreign policy formulation.

At the institutional level, the Ministry of Foreign Affairs (MFA) which is primarily responsible for the making and implementation of Nigeria's foreign policy is bedevilled by acute underfunding, irregular payment of salaries of staff on foreign posting, staff allowances and claims, inadequate or decrepit infrastructure, both at the Ministry's headquarters and missions abroad, staff succession crisis and low morale and general flouting of rules and regulations. Its ethos and operational autonomy have been subsumed under the general civil service structure, and as a result professionalism and discipline have been grossly eroded.

**Our country's place in the world must be restored. Every foreign policy must advance the country's national interest in an effective manner.**

Besides, there have been multiple centres of power for the making of Nigeria's foreign policy without regard to the primary role of the MFA. The Presidency has tended not to defer sufficiently to the views and recommendations of the Ministry based on its institutional memory and competences in this sphere. The recent appointment and deployment of Nigeria's ambassadors abroad in the Buhari administration, in which the Ministry played tangential roles, is a clear illustration of this seeming parody. It has thus been alleged that some forces outside the formal structures of Government have played decisive roles in the making of Nigeria's foreign policy with obvious consequences on the morale and operations of the Ministry. The potential for an effective role for the National Assembly has also not been fully explored for the greater benefit of the country.

There is the imperative need, more than ever before, for Nigeria's foreign policy to be rooted in the country's domestic priorities. We therefore need to identify the domestic and other imperatives for an effective foreign policy for Nigeria in a manner that meets the national, regional and global aspirations of our country and its citizens.

A sustainable foreign policy must reflect and project the domestic environment, the needs and priorities of the people, encapsulated by the democratically elected government of the day. This can only happen when the citizenry is made to understand their stake in the country's foreign policy which encourages them to grant unconditional support for such foreign endeavours. This speaks to the nexus between foreign policy and domestic policy as two sides of the same coin. A country with a weak economic base, decrepit infrastructure, acute challenges of governance such as insecurity, corruption, mass poverty, unemployment, social exclusion and the inability to conduct free, fair and violence free elections cannot pursue a vibrant foreign policy.

### **Domestic Imperatives**

Section 19 of the 1999 Constitution as amended provides for the goals and objectives of Nigeria's foreign policy as follows:

- a. Promotion and protection of the national interest.
- b. Promotion of African integration and support for African unity.
- c. Promotion of international co-operation for the consolidation of universal peace and mutual respect among all nations and elimination of discrimination in all its manifestations.
- d. Respect for international law and treaty obligations as well as the seeking of settlement of international disputes by negotiation, mediation, conciliation, arbitration and adjudication.
- e. Promotion of a just world economic order.

The foregoing provisions need to be reviewed. There is, for instance, no clear definition of what constitutes Nigeria's national interest. This may sound trite, but it cannot always be assumed that the correct components of Nigeria's national interests are well understood, especially on specific matters of foreign engagement. Such a review must be in sync with the Fundamental Objectives and Directive Principles of State Policy as contained in Chapter II of the same Constitution.

There is also nothing in the same Constitution that speaks directly to the principles and philosophy of Nigeria's foreign policy, including a clear enunciation of such concepts as Africa being the centre-piece of Nigeria's foreign policy. The declarations and foreign policy behaviours demonstrated since Nigeria's independence, including the struggle for freedom and the liberation of the continent from the yoke of colonialism and apartheid ought to have been reviewed to reflect the changed and evolving times as well as the political and socio-economic circumstances of the country, Africa and the world at large.

**The first domestic imperative therefore is to ensure that Nigeria grows its economy steadily and transforms its structure to make it more self-reliant and resilient.**

The proposed review should directly link our foreign policy to our national worldview as I indicated in the chapter Vision 2. Nigeria and Nigerians should be the centre-piece, the object and subject of Nigeria's foreign policy. Call it a Nigeria First foreign policy if you will. This requires, as I indicated earlier that our own national interests should come first, and that we should treat the idea of the "international community" with an understanding of its limitations. In this context as well, addressing the pitiable plight of Nigerians travelling or resident abroad including the irregular migrants among them, must be a central preoccupation of policy at all times and in all circumstances.

It's equally essential to accept that the foreign policy of any country is a reflection of its domestic environment. A country that is weak at home with a floundering economy cannot pursue a vibrant foreign policy. Such an effort will necessarily be weighed down by an economy characterised by heavy import dependence, including for food, a weak industrial and manufacturing base, a mono-cultural economy reliant for government revenue on oil and gas whose prices are unstable because they are subject to external shocks, and with a growing level of poverty and massive youth unemployment.

The first domestic imperative therefore is to ensure that Nigeria grows its economy steadily and transforms its structure to make it more self-reliant and resilient. It must ensure that the growth of the Nigerian economy translates to real development that impacts directly on the social conditions of the generality of the people in terms of access to goods and social services such as education, health, power, transportation, and social welfare.

On the domestic front therefore, the socio-economic conditions of an average Nigerian must be such that would arouse patriotism and strong sense of belonging to the State. It is only on this basis that a citizen will be prepared to make the ultimate sacrifice for the defence of the unity and territorial integrity of the country. Accordingly, there will always be a disconnect between poor, unemployed and hungry citizenry and the State. They will be reluctant to respond to calls for any action to defend the country.

Other challenges on the domestic front which have also hobbled Nigeria's capacity to sufficiently exert itself regionally and internationally include poor governance, high incidence of corruption, insecurity of life and property, the persistent challenge of Boko Haram terrorism, the unabated herdsmen/farmers conflicts, incessant kidnappings, armed robberies, cultism and other violent crimes have combined to project a negative image of Nigeria. This can only result in little or no respect for our country abroad. If we really are angry at anyone allegedly referring to us as a "shithole country", we must address these fundamental problems and understand that merely having a large population is not enough to make us a truly powerful country.

The role and significance of foreign policy, the Ministry of Foreign Affairs and its Missions have not been recognised. For a start, the importance of foreign policy as an indispensable pillar of Nigeria's existence, sovereignty,

unity, territorial integrity and prosperity must be appreciated. It is this lack of recognition that seems to explain the rather lackadaisical attitude to funding the MFA. Yet the government's programmes and projects cannot be successfully executed without an adequate appreciation of the foreign aspects of each of the programmes which must be factored into their conception and implementation at all times.

### **Diplomatic Infrastructure**

We cannot over-emphasize the need therefore to adequately fund the Ministry of Foreign Affairs and its Missions abroad and to equip them with human and material resources it sorely needs to function effectively. The annual budgetary provisions to the Ministry, which have remained paltry at less than 1% of the federal government's budget, cannot support an effective foreign policy. This compares very poorly with countries such as Senegal, Algeria, Egypt, South Africa, not to mention others in Asia and Latin America and with which Nigeria shares the same regional and global aspirations.

Some innovative ways and means need to be designed to ensure sustainable funding of Nigeria's foreign policy, including setting aside, subject to the approval of the National Assembly, some part of the external reserves or excess crude oil account in United States dollars for the foreign operations of the Ministry, especially the much-needed acquisition of properties as chanceries, residence for ambassadors and their officers.

There is a direct correlation between missions that are solvent and the possession of properties abroad. Those in countries where Nigeria own no houses are always faced with embarrassing levels of debt on unpaid rent and other utility bills. The objective here is to ensure that Nigerian missions own their properties all over the world and cease to pay rent. The huge savings that accrue from such a practice can be deployed to the prosecution of core programmes and activities of the missions. This ownership can be through mortgages or public/private partnership in the building, usage and transfer of ownership of these properties

Part of the sustainable funding mechanism could be to allow the ministry and its missions to retain a certain percentage of revenue generated from the issuance of passports, visas and other consular services as cost of collection in the manner in which some Government agencies such as the Nigerian Customs Service, the Federal Inland Revenue Service and the Federal Road Safety Commission have been so permitted by law.

The current practice in which the huge revenue generated by Missions is paid directly into the Federal Government accounts in New York and London only for the same Missions to be strapped of funds is counter-productive and self-defeating. The precise mechanism for this to happen can be worked with the National Assembly, the Federal Ministry of Finance, the Office of Accountant General of the Federation and the Nigeria Immigration Service.

Similarly, the Ministry needs to be repositioned to ensure adequate preparations for Joint Commission meetings with other countries and for effective follow up on the implementation of decisions. The challenge also affects the various home Ministries and agencies of Government which are often uncooperative, if not totally disinterested, in bilateral matters affecting their own specific mandate and operations.

Without such synergy and close collaboration between the Ministry of Foreign Affairs and the MDAs, Nigeria cannot avail itself the full benefits and immense potential of the various Agreements and Treaties that have been signed with friendly countries all over the world. The National Assembly has a decisive role to play in ensuring the domestication of such agreement if they are to have the force of law and be implemented in the country.

There is an aching need for a rigorous programme of human resource development, capacity building, training, retraining and retooling of staff of the Ministry of Foreign Affairs, to enable them deal with the increasingly complex issues of contemporary diplomacy. These include capacity to effectively project Nigeria's domestic agenda and to secure the understanding and support of key countries, international organisations and high net worth individuals. This is a *sine qua non* for an effective foreign policy. There is also the need to address the current challenge of staff succession gaps especially in the middle and directorate level categories in the Ministry due to the huge gap caused by years of none recruitment of staff by subsequent military regimes.

It has become imperative to create a separate Foreign Service Commission to address the unique features and needs of Nigeria's diplomacy in the areas of recruitment, discipline, career management, promotion, appointment of Ambassadors and related matters. A private member's Bill to this effect was introduced in the Senate, but had made little progress as of this writing.

Already, there are strident opposition to this Bill, as it was, each time the idea was mooted in the past. The erroneous view that the Foreign Service is not different from the rest of the home Service runs contrary to Government's own admission of the uniqueness of the former by creating a separate set of rules and regulations that guide the conduct of Nigerian diplomats as an Annex to the Public Service Rules.

To enhance professionalism and effectiveness, the Foreign Service must not be seen as a dumping ground for failed, ambitious, troublesome politicians and geriatrics that may have passed their expiry ages in their chosen professions or as spoils of office after each Presidential election. Indeed, and for effectiveness at posts, the

appointment of all ambassadors should be tenured for 4 years, regardless of the political colour of the government that appoints them.

In recognition of the fact reality that a President can appoint non-career individuals of outstanding pedigree and ability as ambassadors, however, I suggest a career to non-career ratio of 70:30 in ambassadorial appointment, provided that non-career Ambassadors must undergo comprehensive and concentrated training in diplomacy and international affairs, as well as domestic public policy, prior to taking up their duties at post. Such a ratio will also have the positive effect of re-building the Foreign Service as a professional career corps with enough opportunities for the regeneration of the Service from within as career officers serve, grow and retire.

**It is essential that Nigeria's external aid policy and philosophy be radically reviewed, streamlined and coordinated.**

Granted, foreign policy making is essentially the primary responsibility of the Executive arm of Government personified by the President, the Ministry of Foreign Affairs as an arm of the Executive must carry out the directives of the former. It is therefore the case that diplomats must remain instruments of foreign policy rather than its masters. For an effective foreign policy and proper coordination, however, the Presidency must accord the pride of place to the Ministry and its officials by taking into due consideration their views and perspectives on issues. The seeming disregard of the Ministry in matters of foreign policy does not augur well for an effective foreign policy.

Other arms of the government especially the National Assembly also have constitutional responsibilities in this area especially in terms of appropriation, confirmation of Ambassadors and domestication of treaties and conventions. The responsibilities of both arms must be carried out in close collaboration and consultation. Parliamentary diplomacy has become a new feature of contemporary diplomatic practice in which parliaments around the world complement the Executive by engaging one another in a kind of Track II diplomacy that is citizen-centred. Nigeria has not fared well in this regard.

True, the executive branch has the primary responsibility for the formulation and implementation of Nigeria's foreign policy. But the legislature should be deployed to assist the executive for an effective and result-oriented foreign policy. The challenge Nigeria is facing with the purchase of attack helicopters from the US on the basis of the so-called Leahy Amendment could have been better addressed if members of the National Assembly had been utilised to engage their US counterparts in Capitol Hill.

There has been little or no collaboration between the Ministry of Foreign Affairs and the Ministry of Defence, including the Military High Command despite the obvious need to forge closer collaboration and effective linkage between foreign and defence policies. A robust military will not only serve as deterrence but will also inject greater confidence and credulity into the conduct of Nigeria's foreign policy. A lot needs to be done in this vital area.

It is essential that Nigeria's external aid policy and philosophy be radically reviewed, streamlined and coordinated. There is multiplicity of agencies with identical structures and functions in this sphere. These include the Directorate of Technical Aid Corps and the Directorate of Technical Cooperation in Africa, together with the Nigerian Trust Fund domiciled at the African Development Bank, which have resulted in dissipation of scarce resources with little or no direct and long-term benefit to Nigeria.

Besides, the legendary practice of giving without expecting anything in return, of unrecorded and unacknowledged cash grants and donations of material assistance to African countries and to those in the Caribbean should be discontinued or, at best, clearly tied and for reciprocity to be embedded in it. That is the practice between major donor and recipient countries all over the world. Put simply, there is no free lunch. In addition, we need to introduce and promote made in Nigeria products in these donations/material assistance, such as made in Nigeria vehicles.

Another area of concern is the need to exit the traditional African mode of cap in hand seeking for transfer of technology through foreign aid and assistance. Nigerian professionals in the Diaspora should be harnessed to contribute meaningfully to the development of local industries through their experience and technical know-how. No country acquires technology through transfer. Nigerian foreign policy should therefore be re-focused to plough the wealth of technology and expertise in its Diaspora for the growth and development of the domestic economy to modern standards.

### **Going Forward**

The foregoing is my vision of domestic imperatives for an effective foreign policy. For proper implementation, this vision should be distilled into a workable Programme of Action that identifies which agency of Government will do what, when and how. The programme should also indicate the expected outcomes with benchmarks and specific timelines, broken into the immediate, medium and long-terms. It will be recalled that the bane of previous reforms of

the Ministry of Foreign Affairs is shoddy implementation and lack of continuity. Efforts must be made to avoid such pitfalls in the future.

Unless the domestic environment is propitious and anchored on good governance, until the internal structures and institutions are strengthened for them to work functionally and concertedly, unless Nigeria's national interest, the underlying principles, philosophy, goals and objectives are clearly enunciated, Nigeria cannot pursue an effective foreign policy. Such an environment is a necessary and expedient condition for the pursuit of a vibrant foreign policy, including such laudable goals as the respected leadership of ECOWAS, the African Union and a permanent seat in an expanded and reformed United Nations Security Council, among others.

---

***Our country's place in the world must be restored. Every foreign policy must advance the country's national interest in an effective manner. The country's citizens must directly feel the positive impact of the country's foreign policy exertions.***

---