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THE ECONOMICS OF POLITICS VS THE POLITICS OF ECONOMICS: NIGERIAN CASE

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ABSTRACT

Indeed, the recent emphasis on eco-political governance is Nigeria is unique in that it was initiated by external donors (international organizations) and not by domestic leaders under pressure from their own constituencies. Thus, while Nigeria have embraced the market economy and liberalized their policies; issues related to political participation, democracy and institution building have proven harder to tackle. This paper therefore argued that government must devote resources and political will to overcoming the harsh poverty experienced by the majority of Nigerians. In this regard, the emerging participatory e-development and traditional development strategies should not be seen as mutually exclusive but rather complementary (so as to avert the status of a failed state).

KEY WORDS: politics, economics, corruption, economy, Nigeria, e-development, ICT, participation, governance, policies, development, resources, new economy, financial crisis, poverty, economic management, electoral process, technology

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1.0 INRODUCTION

Broadly, governance refers to the exercise of power through a country's economic, social, and political institutions in which institutions represent the organizational rules and routines, formal Laws and informal norms that together shape the incentives of public policy makers, overseers, and providers of public services. Referred to as the rules of the game, governance has three key dimensions:

(I) The process by which governments are selected held accountable, monitored, and replaced.
(II) The capacity of governments to manage resources efficiently and to formulate, implement and enforce sound policies and regulations.
(III) And respect for institutions that govern economic and social interactions (World Bank, 2002)

Essentially, governance comprises mechanisms processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their legal obligations and mediate their differences. In other words, it encompasses the role of public authorities in establishing the environment in which economic operators function and in determining the distribution of benefits as well as the relationship between the ruler and the ruled. However, good governance is epitomized by predictable, open and enlightened policy making (transparent processes); a bureaucracy imbued with a professional ethos; as executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law (rationally). In other words, in the context of a political and institutional environment that upholds human rights, democratic principles, and the rule of law, good governance is the transparent and accountable management of human, natural economic and financial resources for equitable and sustainable development. Equally, it entails clear decision making procedures at the level of public authorities, transparent and accountable institutions, the primacy of law in managing and distributing resources and capacity building for elaborating and implementing measures that aim to prevent and combat corruption.

Unfortunately, good governance can be undermined by a range of factors including lack of transparency, weak accountability, poor organization and lack of technical capacity, lack of responsiveness, inefficiency, and poor motivation. Yet, corruption is often both a cause and an effect of week governance. However, poor governance and corruption can hurt the poor through a multiplicity of routs. That is, on a corrupt government, social interests and economic priorities play little role in the allocation of public resources. Thus, when analyzing the spurces and impact of corruption, it is helpful to distinguish between two broad types of corruption: State capture (which distorts the framework of rules) and Administrative corruption (which distorts the implementation of rules.) Here, state capture refers to actions that individuals, groups or firms in both the public and private sectors take to influence the formation of laws, regulations, decrees, and policies to their own advantage. Critically, this occurs through illicit and non-transparent transfer or concentration of private benefits to public officials. As a result, biases that serves private game usually at a significant cost to society. On the other hand, administrative corruption refers to the intentional imposition of distortions in the prescribed implementation of existing laws, rules and regulations to provide advantage to their state or non-state participants as a result of the illegal transfer or concentration of private gains to public officials.

Consequently, the problems of poverty and governance are inextricably linked. If power is abused or exercised in weak or improper ways, those with least power (the poor) are most likely to suffer. In other words, weak governance compromises the delivery of services and benefits to those who need them most; the influence of powerful interest groups biases policies, programs, and spending away from the poor; and lack of proprietary rights, police protection, and legal services disadvantage the poor and inhibit them from securing their homes and other assets and operating businesses. Thus, poor governance generates and reinforces poverty and subverts efforts to reduce it. However, accountability and transparency provide strong incentives for good governance. Infact, they are essential characteristics of well-functioning institutions and good public sector performance. Here, their existence is closely linked to the architecture of the state, which defines the relationships among the executive, legislature, and judiciary; and extent to which they are able to scrutinize each other's behaviour.

Again, accountability and transparency equally depend on other institutional arrangements for the transfer of power between governments, including voting arrangements and electoral laws. Yet, there are formal governance arrangements that support this architecture. On one hand, the arrangement comprises electoral rules that mandate regular and fair competition between seekers of political office. On the other hand, it requires inclusive arrangements for the exercise of power that offer the protection of the law to all citizens (and that can be guaranteed by an independent judiciary). Furthermore, the ability to call state officials and public employees to account is fundamental. Typically, people must account for their policies and actions, as well as for their use of funds. Similarly, employees must be accountable to their superiors within the executive; and the executive as a whole must be accountable to the electorate and to the other main institutions of the state.

Indeed, holding government (executive) accountable rests on two foundations:

(I) There must be some bodies or groups to which the executive answers and;

(II) In situations where certain executive actions are questionable, then legislative, judicial, legal or electoral challenges should be possible.

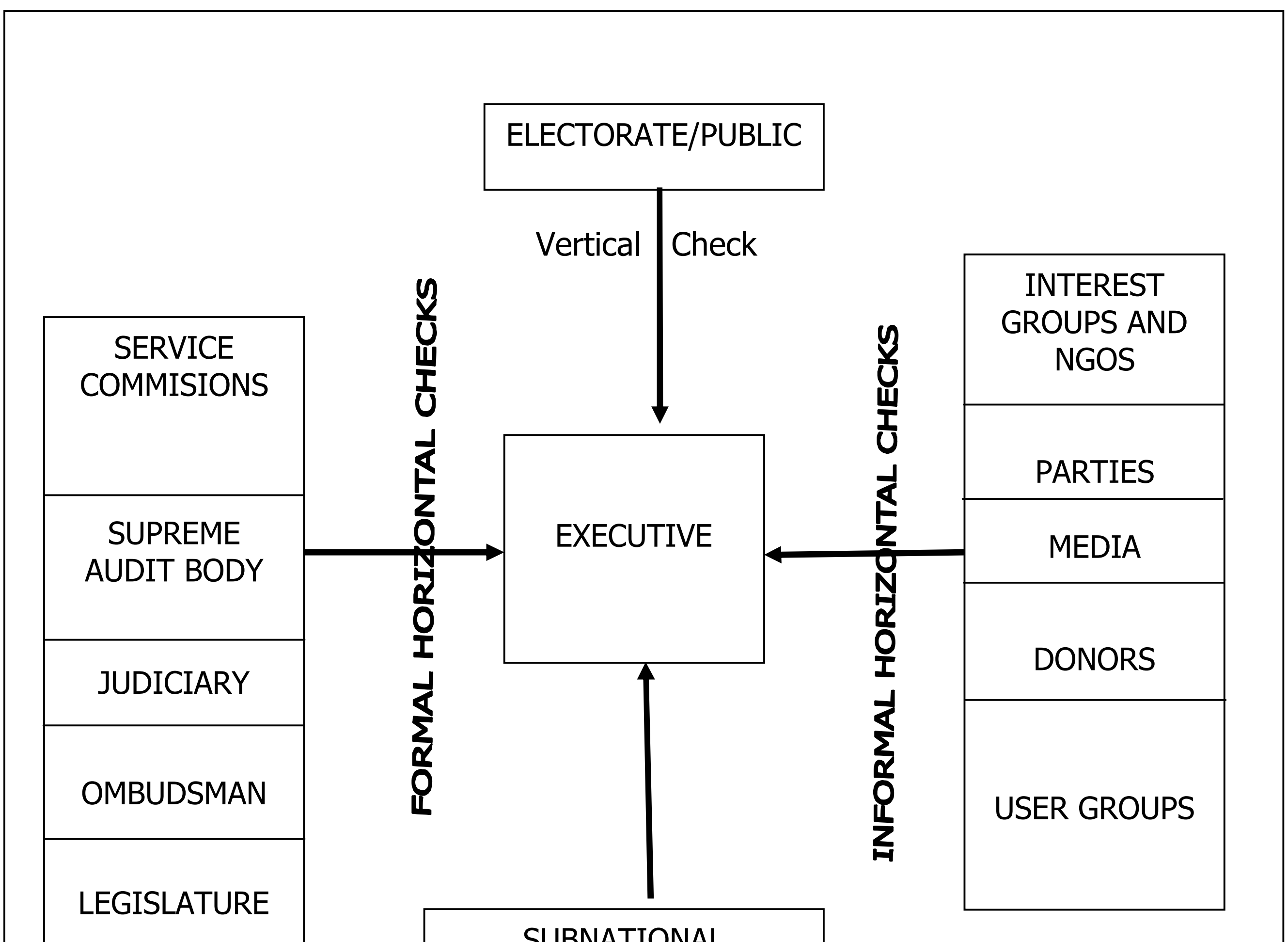
In the alternative, popular challenges have sometimes been successful. Comparatively, horizontal accountability concerns relationships between the executive and the other main institutions of the state (Legislative and judiciary) while vertical accountability refers to relationships in which one actor must report to another. Thus, depending on constitutional arrangements, sub-national governments may be seen either as subordinated or as having equivalent rights to central governments; these accountability relationships are reinforced by informal checks executed civil society as well as donors.

Graphically, figure 1; illustrates these relationships.

Therefore, it is a crucial first step to assess the ways in which weak governance and corruption are hurting the poor in Nigeria setting; but it is quite another to more beyond assessment to build a lasting strategy. Thus, as initial assessment of the situation is critical both to understand the problems and to identify opposition and possible allies. Yet, more detailed diagnostics can be undertaken as reforms progress. In most cases, it is advisable for reforms to start on a small scale and build outward. However, it is likely that

in the course of implementation, the underlying problems will themselves be redefined. Again, constituencies and political will for reforms are essential.
And rarely will they be fully developed at the start but the strategy should aim to build them along the way. To find an entry point and get the process started, there needs to be at least one source of commitment, whether from a civil society group; or a legislative, judicial or government body; or a political party.
Definitely, the nature of the constituency will influence what can be done first; and if there are only a few stake holders, the initial work will be limited and it is more important to design it so as to appeal to broader interests. Yet certain kinds of institutional strengthening (especially those that enhance available information) are critical to help organizational leadership understand and cope with problems; as well as providing a means of combating corruption. Once the reforms needed have been classified, it is important to bridge the gap between external stakeholders and the executive (or legislature or judiciary) depending on the locus of the reform. Although, pressure from outside may be an essential ingredient to initiate the process; progress will be limited unless the executive or other state entity is clear about what is needed and how to

FIGURE 1.1 EXECUTIVE ACCOUNTABILITY: RESPONSIBILITY SCHEME



Vertical Checks

deliver it as well as having the capacity to do so.
Alternatively, proposed reforms may be led from within, in which case, those on the inside should communicate their purposes and invite public debate and results monitoring.

Yet, in building a strategy, it may be helpful to reflect on some main factors and characteristics of the country's institutional environment that will strongly shape the possibilities for effective institutional and policy reform and the sequencing of reforms. Thus, three relevant factors are identified: political commitment, political feasibility and sustainability. Since the benefit of reform must outweigh the costs, meeting these conditions does not guarantee that a reform will succeed; but it might indicate a higher probability of success. To the extent that important elements of the government's support base are negatively affected, political leaders' commitment to reforms is reduced. However, to the extent that key groups supporting the government are expected to benefit from the proposed reforms, political commitment will be strengthened. Consequently, the following research question arises:
I) who gains and who is likely to lose from the proposed reforms?
II) Are any of these groups in the government's current support base?
III) Are any of the groups that stand to win or lose swing groups (i.e. groups that are critical to the government's ability threaten to shift their support to the opposition?
IV) Within the past fifty years of Nigerian independence, has there been any attempt at reforms in this sector by the present government or by previous government with substantially the same support base?
V) Is Nigeria really a failed state?
VI) And what is the way forward?

In fact, even if the governance reforms are politically desirable, they may not be politically feasible. Thus, to bring about institutional change, government decision makers must be able to ensure the support and cooperation of other parts of government which are critical to approving and implementing the reform project (such as the legislature, bureaucracy and judiciary). However, assessing the strength of opposition to reforms is important, as it entails identifying the critical <u>veto gates</u> or <u>institutional junctures</u>, at which particular actors can block the government's reform initiative. Specifically, we ask who within the government needs to approve the proposed reform for its enactment and who might be opposed to the reform project with reasons. Further more, we ask what change in the design of the reform might win their support and which groups outside governments are known to be opposed to the reforms. Again, we ask which organizations or groups (such as tax officials, law enforcement agents, government regulators, and clerks) will have to perform tasks to implement the reforms; and how their interests and incentives are being taken into amount.

Indeed the sustainability of governance reform is dependent on whether the current government can expect to be in power with a reform friendly support base) long enough to ensure implementation. In other words if a government comes in power that opposes reforms, the key question is weather the new government would wish to continue with them. However, if the reform benefits certain groups, these groups may be able to pressure the new government to continue the reforms; or attention may need to be paid to the extent to which powerful private interests can subvert policy design and implementation.

Perhaps, most important for sustainability is the match between the design of reforms and the environment in which they must take root if they are to be effective. It is equally important to understand the workings of the rules in the society, the extent of informality, the role of informal networks and the way in which power and influence are exercised if reforms are to be relevant to their institutional context. Here, strategies must start with feasible steps that lead by their internal logic and by the public and other support they generate toward long term sustainable reforms that help the poor (such as in the Nigeria context) Thus, the rest of these paper is divided into six sections. Section two looks at the Nigeria political regimes so far. Nigerian economic performance is the subject matter of section three while section four examines the social security situation in Nigeria. The religious morality status of Nigeria is highlighted in section five. Policy reform options are presented in section six while section seven concludes the paper.

2.0 NIGERIA: POLITICAL REGIMES

Politics has been a game of power and influence all over the world. Indeed, Nigeria within one century (1862 -1990) of colonial rule had five distinct constitutions (1992, 1946, 1951, 1954, 1960) used by colonial officials to refine the political arena. Infect, this was also used as a means to control nationalism and the political evolution of the country. Thus, from the times of amalgamation of the northern and southern protectorates along with the colony of Lagos in 1914, the earliest political structure was predicted on unitarism. Apart from the hues and cries that greeted the various British constitutional enactments, we may not have largely ignored the fact that certain personalities and groups (with an advantage of foresight) had cautioned that the country was sliding towards balkanization instead of independence. Specifically, the conference of Nigerian students held in Scotland (1949) was of the opinion that one of the chief weaknesses of the 1943 constitution was the arbitrary regionalization of the country, based on the equal unsatisfactory provincial groupings initiated at the beginning of the British rule. They therefore suggested that as necessary condition of achieving that unity in diversity as expressed in the Richards constitution, the basis of regionalization must be examined. Yet another vexed issue that gave rise to the political anomaly bedeviling the Nigerian federation was the encouragement of partisan politics along ethnic ties in fact, this was a creation of the British lords under its "Divide and Rule" stratagem. Although 26 political parties were enlisted by electoral commission of Nigeria to contest the 1959 elections, here the three dominant political parties were the northern people congress (NPC), Action group and national council of Nigeria and Cameroon (NCNC). However, it was not surprising that the partisanship that preceded the 1959 elections were characterized by all manner of ethnic bestialities and postulations. And as the quest for independence gathered momentum, it was clear that the stage for an electoral crisis has been set following the enthronement of brinkmanship, electoral malpractices and discrimination. Apart from the allegations of intimidation of political opponents and other foul politicking that trailed 1959 federal elections, it was widely believed to have been rigged in favor of the NPC. Consequently, Britain was accused of laying the foundation for electoral fraud and chaotic political system in Nigeria. Unfortunately, the British handed power to the North at independence, not because of an election result but because it was the only of as election result but because it was the only condition on which power would be granted. Incidentally, the NPC (Party) failed to gather majority votes that could have empowered it to form government. Subsequently, the NPC rules both the North and the federation, and yet its leaders refuse to change the name of the organization to permit the admission of southerners into its membership.

Indeed, with the level of political temperament and manipulations that fuelled the elections which produced the first indigenous government, it was obvious that the nation was literarily tottering on the edge of precipice. Thus, it was not long before political crisis erupted in western Nigeria but reached a crescendo in 1962.

Regrettably, the degeneration of the rift between Chief Awolowo and the premier of western Nigeria (Chief Akintola) marked the beginning of a terrible political anti-climax that culminated in the collapse of the first democratic experiment.
Unfortunately, the events that trailed the 1962 leadership squabble and power game between Awolowo and Akintola not only tested the political sagacity of the independent Nigeria but the ability of the federal government to handle any major eventualities. In a bid to house the political conflagration, the federal government (under Prime Minister Abubarkar Tafawa Balewa) declared a state of emergency throughout the western region and banned its government. Subsequently, Senator M.A. Majekodunmi was appointed as the Administrator of western Nigeria. In fact, efforts by the Balewa government to find solution to the fledging political problems failed woefully as well as the predicament of conducting free, fair and acceptable polls. Again, not even the creation of a new electoral body known as Federal Electoral Commission (FEC) and the emergence of a tw0-party System, (NNA and UPGA) could save the nation the agony of another round of electoral crisis in 1964 and 1965. Available evidence showed that the 1964 and 1965 elections conducted by the Balewa government were flagrantly rigged by the ruling party (NPC). In fact, the result of the poll was rejected by the opposition and the ensued commission led to wide spread socio-political violence including killing, arson, looting and destruction of properties, which provided the military the needed excuse to dethrone the government. Consequently, in January 15, 1966, there was the first military coup led by Major Chukwuma Kaduna Nzeogu; which led to the killing of top politicians such as the premier of Northern Nigeria and prime Minister. Subsequently, General Aguiyi Ironsi became the first Military Head of State. Unfortunately, in July 7, 1996, a counter coup by officers of Northern extraction took place, where Gen. Ironsi and some other top military officers were killed. In the aftermath; Lt-Col Yakubu Gowon became military Head of state. However, anti-Igbo feelings as a result of the first coup led to the massacre of about 30,000 easterners resident in the north in May 29, 1967. Against this background, Colonel Odimegwu Ojukwu led the East into secession and declared Biafra Republic in May 30, 1967. Strategically Nigerian Civil war started in July 6, 1967 and ended in January 15, 1970 with the handing over of the Biafra surrender document to Gen. Gowon by Philip Effiong at Dodan Barracks, Lagos. Yet, after some years, General Gowon was toppled in a blood less coup (on July 29, 1975) and General Murtala Mohammed succeeded him as the 3rd Military Head of state of Nigeria. Unfortunately, Gen. Mohammed was killed in a bloody (abortive) Military Coup in February 13, 1976 while General Olusegun Obasanjo became the 4th Military Head of state of Nigeria. Thus, in 1st January, 1978, Obasanjo officially lifted the ban on political activities to usher in the second Republic while the new 1979 constitution provided for an American Presidential system of government

presented a fresh opportunity to correct the mistakes of the failed first Nigerian republic.

Indeed, the new (1979) constitution introduced a system that was a clear departure from the parliamentary system of government operated independence and incorporated far-reaching reforms intended to overcome the shortcomings of the first republic. Apart from establishing a Federal Electoral Commission (FEDECO) to manage the electoral process; certain guidelines aimed at creating broad-based national parties and avoid post electoral condition were also provided for in that Constitution. In this respect, based on the Laid down guidelines, FEDECO registered five political parties which satisfied registration requirements: Unity party of Nigerian (UPN), National Party of Nigeria (NPN), Nigeria peoples Party (NPP), people's Redemption Party (PDP) and Great Nigeria People's Party (GNPP). Incidentally beside the symbols and slogans, it was then obvious that the new parties were a reincarnation of the tri-regional parties of the first Republic. In fact, the same actors manifesting tendencies that threw up deep-rooted ethnic sentiments were back on the political area in a fierce struggle for the control of the reins of power in the Federal Republic (even though a nineteen-state structure had emerged in the Nigerian polity. Even though, this 1979 election had a reputation as free, fair and peaceful, it was evident that the nation was yet to overcome its political inertia. In other words, the failure of NPN (which was declared winner after a protracted legal tussle) to win the number of seats that could allow it to control the National Assembly forced it into a coalition with the NPP. Thus, at the end of the first four year term (1979-1983), it was obvious that Nigerians were disenchanted the poor run of the democracy experiment and therefore desired a change. But the 1983 elections conducted by Shagari led government turned into a fiasco; and was totally described as one of the most fraudulent elections in the history of elections in Nigeria. Regrettably, the elections were bastardized by the misuse of the power of incumbency, money and the politics of bitterness and intolerance inherited form the first Republic. Again, the uproar generated by the outcome of the election which NPN was alleged to have rigged in its favour was yet to settle when the military struck again in December 31, 1983. In other words, Major-General Muhammadu Buhari in a bloodless coup. Subsequently, this junta clamped many politicians in detention and promulgated decree No 4 which severely limited press freedom.
In August 27, 1985 General Ibrahim Babangida seized power in a military putsch and assumes the title of president as the 5th military head of State.

Although, General Babangida led government attempted to prevent this attachment to ethnic and primordial sentiments by introducing a two party structure in 1991 (Social Democratic Party and National Republican Convention); the democratic experiment also failed. However, in June 12, 1993, Chief Moshood Abiola of the Social Democratic Party (SDP) won the presidential election that was widely acclaimed as the freest and fairest in Nigeria. Unfortunately, in June 23, 1993, the June 12 presidential election was annulled, sparking nation wide unrests. Consequently, Chief Ernest Shonekan was made the Head of the Interim National Government in Aug 26, 1993. Subsequently, General Sani Abacha seized power from shonekan to become Nigerian sixth military Head of state in November 17, 1993. In Mysterious circumstances at the Aso Rock presidential Villa, Abacha died in June 8, 1998. And thus, General Abdulsaani Abubarkar became the 7th Military head of state in June 9, 1998. Although General Obasanjo was released from Abacha's detention, Abiola died in the custody of the Military Regime.

Indeed, the 1999 Nigerian Constitution provides in section 131, the four qualifications for the office of the president: he must be a citizen of Nigeria by birth; must attain the age of forty years; he must be a member of a political party and sponsored by that political party; and must be educated up to at least school certificate level or its equivalent. However, the PDP Zoning arrangement was used to placate the south west for the annulment of the popular June 12 election. The North was therefore forced to concede power to the south after several years of governance of Nigeria. Thus, this made it possible for the former military head of state (General Obasanjo) to emerge as Nigerian president in 1999. In other words, in May 29, 1999, Chief Obasanjo was sworn in as Nigeria's second dated president on the plat form of the peoples Democratic Party (PDP). Similarly, in May 29, 2003, Chief Obasanjo was again sworn in for a second term as the Nigerian president. Between November 16th and 17th, Mr. Umaru Musa Yar'Adua was chosen as the presidential candidate of the ruling PDP for the April 2007 election. However, Yar'Adua's success in the primary was attributed to the support of incumbent President Obasanjo; and shortly after winning the nomination, he chose Goodluck Jonathan as his Vice-presidential candidate.
Subsequently, in May 29, 2007, Umaru Musa Yar'Adua was sworn in as the new president and Head of State of Nigeria (in Nigeria's first ever successful Civilian-to-civilian transition) under the plat form of PDP after his declaration as the winner of the controversial election. Unfortunately in Nov 23, 2009, President Umaru Musa Yar'Adua left Nigeria for Saudi Arabia to receive treatment for pericarditis disease; and this absence created a dangerous power vacuum in Nigeria. Consequently, in February 9, 201o, the senate determined that presidential power be transferred to the Vice President Goodluck Jonathan (and to serve as acting president) with all the accompanied powers until Yar'Adua returned to full health. As faith may have it, Yar'Adua died at the Aso Rock presidential villa (on May 5, 2010) and was buried on May 6th 2010 in his home town. Subsequently, the Acting president (Dr. Goodluck Jonathan) was sworn in as a substantive president of Nigeria by the Chief Justice of the Federation.

When Prof Atta Jega was sworn in as the INEC (Independent National Electoral Commission) chairman on June 30, 2010 by President Goodluck Jonathan, he acknowledged the expectations of Nigerians for credible, free and fair elections in 2011 under the plat form of Electoral Act 2010 which repeals the Electoral Act 202 2006 and Independent National Electoral Commission Act, Cap. 15, Laws of the federation of Nigeria, 2004 and enacts the Electoral Act, 2010 to regulate the conduct of Federal, State and Area Council elections. In accordance with the Nigerian Constitution, the bill for the new act was certified to have been carefully compared with the decision reached by the National Assembly and found to be true and correct decision of the Houses (and is in accordance with the provisions of the Acts Authentication Act Cap AZ, laws of the Federation of Nigeria, 2004) on the 16th August, 2010 by the Acting clerk to the National Assembly and subsequently assented the President of the Federal Republic of Nigeria of the 20th Day of August, 2010. However, barely three weeks after the assumption of office, INEC boss appears to be overwhelmed by the difficult task ahead, specially, the problem was that the time available for the new INEC team to produce an authentic Voters' register and conduct free and fair elections was extremely short. In other words, the main argument hinge on the apparent slack in preparation by the electoral body (INEC) vis-a-vis the time frame drawn by the amended electoral Act 2010. Here, it was argued that if the amendments to the 1999 constitution should apply, the action was already running behind Schedule. In fact, in the 1999 Constitution, section 145 and 190 require that elections be conducted in a maximum of 60 days to a minimum of 30 days before the expiration of the subsisting term of office. However, under the current constitutional amendment, it is required that elections be conducted in a minimum of 120 days and a maximum of 150 days before the expiration of the term of office of the last holder. If this provision should apply, it then means that election into offices in 2011 must be conducted not latter than January 2011. Furthermore, section 10 (1) of the proposed amendment to the 1999 Constitution states that INEC shall compile, maintain and update on a continuous basis, a National Register of Voters which shall include the names of all persons entitled to vote in any federal, state or local government or area council elections. However, section 100 (5) states that the registration of voters, updating and revision of the register of voters under the Act shall stop not later than 120 days before any election covered by the proposed amendment. This implies that if elections will hold in January 2010, it means that political parties ought to submit the names of their candidates by September 2010. Unfortunately, these dates were no longer feasible given the INEC forecast.

Consequently, President Goodluck Jonathan forwarded a bill to the National Assembly for the amendment of the Electoral Act 2010 to provide for the alteration of the lines for the 2011 general elections. Specially, Jonathan urged the National Assembly to expeditiously amend the Electoral Act (2010) by proposing the amendment of the relevant laws as attached, through the inclusion of Transitional provisions to enable INEC to conduct the general elections between October and the end of April, 2011. Again, in the bill sent to the legislature seeking amendment to the 2010 Electoral Act, INEC asked the Law makers to allow political parties to determine the choice of delegates. Specially, section 87 (70) of the Electoral Act should be amended to read: A political party that adopts the system of indirect primaries for the choice of its candidates shall outline in its constitution or guide lines;

(I) who shall be a delegate to the congress or convention; and

(II) In the case of democratically elected delegates, the procedure for the election of such delegates.

INEC also proposed that section 25 of the Act should be amended to read: Elections into the offices of the President and Vice President, governor and deputy governor of a State and membership of the Senate, House of Representatives and House of Assembly of each State of the Federation shall be held on a date or dates and in a sequence to be determined by the INEC while subsection (3) of the section should be amended to read: provided that the said elections shall in the case of 2011 hold not latter than April 30, 2011.

However, Former Nigerian Bar Association (NBA) president, SAN Agbakoba has always insisted that the assent of the president is required and instituted the case to get court clear the air on the matter. He stated that the constitution, which the country operated at independence, was assented to by the Acting Governor-General of the country upon its amendment. Consequent upon this discovery, Agbakoba urged the Federal High Court (Lagos) to hold that the assent of the president is required on the amendments made to the 1999 constitution before they can become law. He further held that upon the discovery that there was a precedent and the court should hold that assent of the president is required on the amended constitution before it becomes Law and that the National Assembly did not comply with section 9 of the 1999 constitution as well as other necessary constitutional provisions. He therefore prayed that the court to urgently resolve the issue since INEC commenced preparation for the 2011 general election, which would be based on the provisions of the constitution (First Amendment) Act 2010. But the National Assembly in its preliminary objection) is urging the court to strike not the suit; based on three grounds: Lack of Locus stand, Lack of Jurisdiction and Lack of territorial jurisdiction to adjudicate. Again, beyond the areas bordering on the timeless for INEC I the act, the president sought amendments to section 87, subsection 12 (A,B) and sub section 13 of the Act which give the party caucus the power to determine the standard bearer of the party for elections and also give rights to appointed government officials to vote during congresses. Unfortunately, majority saw the request by President Jonathan for the amendment as self-serving as they argued that amending the section of the Act could only confer undue advantage during the presidential primaries on President Jonathan who is also as aspirant and would be competing at the congress where the standard bearer of the PDP (People Democratic Party) would be decided. Consequently, in October 20, 2010, with as overwhelming majority voice vote, senate rejected president

Jonathan's bill seeking for as amendment to the Electoral Act, 2010. However, the senate president tried to persuade the senators to consider looking at the unacceptable provisions with a view to removing all the offensive aspects.

However, INEC recently ended months of speculations over the new guideline for full blown political activities by releasing the revised election time table for the 2011 elections. Accordingly, National Assembly elections will be held on April 2, 2011 and followed by the presidential election on April 9, 2011. Yet, this process is expected to come to an end on April 16, 2011 with the governorship and state House of Assembly. Unfortunately the conference of Nigeria political parties (CNPP) had issued complaints about the INEC time table. Basically, they are uncomfortable with the presidential poll placed ahead of those of Governorship and state Assemblies. This is because of the fact that presidential vote could have a Bandwagon effect by swaying voters to the winning party. Again, for the second phase of the amendments to the 1999 constitution, the National Assembly gets set to bequeath on the Nigerian Federation, a 48 state structure, in a fresh exercise that will herald the birth of twelve new states. Thus, in the emerging 48-state structure, three states are expected to be created in the South east; North West will have one, North central (two), North east (two), South West (two) and South South (two). Consequently, the emerging 48 state structure will ensure the parity of states in each Zone. In other words, each Zone will have equal number of states (eight states per zone).
However, it is generally believed that the cost of presidential system of government is a huge drain on the country. Specifically, with their elephantine appetite for money, members of the National Assembly abuse their powers by enriching themselves at the expense of the people (tagged a case of looting by legislation). Using the advantage of their statutory responsibility as the approving authority for the annual Appropriation Act; the law makers have (over the years) become proficient at jacking up the various subheads in the national budget especially as it relates to allocations to the National Assembly and Ministries ready to do deals with them Her, usually included in the budget are generous provisions for constituency projects as well as the padding of the budget via inclusion of new subheads and unilateral increase of allocations to sectors. Unfortunately, the constituency project is unknown to our polity and in the first republic; we did not hear things of that nature. Again, the Legislator was virtually a part-time official and the salary of the minister in the first Republic was lower than that of a professor. Here, the permanent secretary earned more than a cabinet minister and the head of service earned more than the prime minister. Yet, going by the Last review by the Revenue mobilization and Fiscal Allocation Commission (RMFAC) in 2009, the annual basic salary of the president of the senate is ₦2,484,242.50 while that of his deputy is ₦2,309,166.75. Again, each senator receives a basic salary of ₦2, 026,200.00 per annum. For the speaker of the House of Representatives, it is ₦2, 477,110.00 while his deputy receives ₦2, 026,400.00.

Similarly, each member of the House of Representatives gets ₦1, 985,212.50 annually, provisionally; they collect 125 per cent of their total package as constituency allowance annually while they are both entitled to 300 per cent of their package as severance gratuity in addition to ten percent recess allowance. The senate president and house speaker are equally to be provided with allowances for accommodation, furniture, motor vehicle maintenance, medical, special assistant, entertainment, utilities, security and domestic staff. Unfortunately, the law makers have refused to comply with the remuneration package stipulated for the house. In other words, members of the National Assembly have taken delight in violating the laws that set out remuneration because of their selfish interest. Here, such violations include arbitrary appointment of high number personal assistants (which regrettably is adding more cost to the running of government). But these allocations appear not to be the legislators' major avenue of income. In fact, Many of them often force ministries, departments or agencies they over see to cough up huge amounts (other wise unfavorable reports are written about them to the security agencies). Again, over the years, it has been observed that senators and representatives are living a life far and above their legitimate incomes. In fact, with so much cash at their disposal, they are said o have gone on spending sprees, owing hotels and choice properties in Abuja (and other state capitals) much to the chagrin of the electorate.

In the same vain, Nigerians are increasingly getting worried about what they describe as the PROFLIGACY' of the president fuelled by his presidential ambition. In fact, a sign of the government's wasteful spending is the depletion of the country's external reserve from $42 billion to $38.2 billion as at September, 2010. Again, the last minute appropriations for project by Jonathan is to give impression that he is performing creditably within one year of his in auguration as president and so deserves to be duly elected in 2011 despite the alarm raised by RMAFC (Revenue mobilization, Allocation, and Fiscal Commission) that Nigerian is Leading for bankruptcy. Here, some of the identified problems include lack of financial discipline, corruption and over budgeting; which have combined to make it impossible for the country to meet even critical financial obligations (Such as servicing of debts owed local contractors, investment in infrastructure, importation and salaries payment). In general, one should be shocked to see how the presidency, federal, State and local governments Legislator's, governors, ministers and democratic agencies (Like INEC) are brazenly frittering away public funds (in most cases of self-serving interests) in many ways in massaging the ego of sycophants, traditional rulers and hangers on. Clearly, while the nations treasury is at the mercy of the politicians (and they never lack) funds all always, funds are always hardly available for execution of capital project. Emphatically, since Nigeria returned to democracy, infrastructure decay (roads, railways, power supply) has worsened while all sectors (education, health, housing, manufacturing) have further collapsed (despite several trillions of naira budgeted each year to improve the nation. Specially, a major complaint against the presidential system is its bloated nature. At the federal level is a bicameral legislature structure of 469 members. Equally, there exist 36 state legislatures as well as 7888 councilors making bye-laws for the 774 local councils. Unfortunately, each of these selected officials is paid salaries, generous constitution allowances (especially in federal and state legislatures) and other known and unknown allowances. Again, it is shameful and totally uncalled for to see some state governors having up to a thousand personal aides and this goes to show that there is no accountability (no sense of responsibility). Consequently, there must be a way to check the frivolities of government so as avoid spending all the money on taking care of personal aides.

Indeed, political office in Nigeria has been sadly turned to an all corners affair; and it has now become a profitable venture for men (women) of dubious pedigree. In fact, renowned crooks and numb-skulls have at several times emerged the proud occupants of noble public offices like governor, minister, senator and representatives. Unfortunately, the scandalous propensity for amazing hefty titles and bogus certificates is as a result of the fastidious primitivity and cosmetic values of the society. This is unlike what obtains in the civilized western world where the requisite for elected or appointed public office is not fundamentally the exhibition of bagful of titles and certificate but ingenuity, practical ability and record of composite service. In other words, the scramble for political office is indeed infectious among politicians of all shades and character. Political offices in this part of the world are today the cheapest means of material wealth acquisition and unmerited pre-eminence. Consequently, the Nigerian Anti-corruption agency entitled Economic and Financial Crime Commission (EFCC) has reportedly listed ten governors across the thirty-six states as unfit candidates to contest for any elective position in the proposed 2011 general elections. Basically, these governors were alleged to have enriched themselves and their colonies by various means of misappropriation, contract inflation, squander mania and money-laundering. The full record of Nigerian corruption list has been on the public domain and that EFFC website is given as www.efcnigeria.org
However, EFCC investigations have shown that politically exposed persons (PEPs) after being investigated by the anti-graft agencies and charged to court allegedly bribe judicial officers to make sure that their cases are never tried. And knowing that they would eventually be found guilty and sent to jail, they wriggle their way to freedom through incessant against the anti-graft agencies. Unfortunately, the reality of our legal system is that prosecution of well-heeled individuals and the entire jurisprudence can be tampered with on technical grounds in the full glare of the best of judges. In other words, the Nigerian Bar Association (NBA) members under the guise of fair hearing often prolong cases through Legal technicalities and sometimes extraneous motions. In fact, there are cases instituted over five years ago that have not gone beyond the preliminary stages and the court shelves

while waiting for a favorable political environment to completely kill the cases. Indeed, the 2011 election is the time to reinvent Nigeria. Therefore, our system must change urgently; and we must reinvent the nation on the path of truth, honestly and integrity.

For no legacy is richer than honesty; and we should not be governed again by the tyrants of the post or their agents and surrogates.

3.0 NIGERIA: ECONOMIC PERFORMANCE

It is widely believed that in the 1960s, when the country gained independence and the years after, life was good. Unfortunately, what many people referred to as the good era, did not last long. Subsequently, a down ward trend in socio economic development set in. Since then, for example, the unemployment rate has progressed steadily. Specifically, in 1980, the unemployment rate grew at about 15%, while in 2010; this rate may have grown to about 25%. Similarly, in 1980, poverty level was said to be about 40%. But, as at 2009, Nigerians who live on one dollar a day has grown to about 70% of the population. Again, agriculture, which contributes about 45 percent of the gross domestic product (GDP) is considered to have become unproductive (for not attracting investment) and has for decades remained at the subsistent level. Consequently, through the economic history of the country, several blue prints were designed to put the economy in the right direction; and these include structural Adjustment Programme (SAP) and National Economic Empowerment Development Strategy (NEEDS). However, in the faces of there challenges, the country had embarked on trade liberalization policies that have opened up the economy to foreign investors in different sectors, especially in telecommunications, power, oil and gas sectors. Here, barriers of monopolies have been broken and government no longer has firm gripon state-owned enterprises. Yet, the history of the Nigerian economy and its people is replete with signs of economic growth without much development. That is, the quality of life or standard of living of a larger segment of the population (at about 150 m people) has been anything but envious. In fact, a large number of the people still do not have access to the good things of life and this is evident in the infrastructural development gap.

Consequently, the so called economic growth being celebrated by government agencies is not trickling down to the people by translating into thousands of jobs. Indeed, it is possible for the economy to post productivity gains mainly from the use of technology tools (Such as mobile telephony and information technology). In other words, some sectors of the economy are growing and they are not creating new jobs. For example, the telecom sector is one of those driving this growth, And owing to the fact that the industry is technology-driven, it has merely deployed newer technologies with little or no additional employment to achieve the perceived growth. Unfortunately, there is what the economist call disarticulation in the economy. This implies that there no sufficient linkages between the oil and gas sector and the rest of the economy; between the financial sector and small business, between consumption and production and between industries and agricultural sector. Critically, in the face of the various development plans of the federal government, the manufacturing sector has suffered gradual decline in its contribution to national output over the years. Statistically, between 1960 and

1970, the contribution of manufacturing to the economy rose from 4.4% to 9.4%. It further increased to 11.4% in 1981 and declined to 10% in 1988. Unfortunately, from 1995 to date, the contribution of manufacturing sector to date has continued to decline. Specifically, the manufacturers Association of Nigeria (MAN) has revealed that manufacturing capacity utilization declined rapidly from 70.1% (1980) to 29.29% (1995) rising to 52.78% (2005) and eventually declining to 47% (2009). Apart from inconsistent policy that has hampered development of the manufacturing sector; infrastructural decay and double taxation have been the bane of the Nigerian manufacturing sector. Again, inadequate power supply, scarcity, and high cost of petroleum products and lack of effective transportation net works have put pressure on operating cost, competitiveness and efficiency in the local market.

In particular, the absence of stable power supply has hampered the growth of the small and medium-scale enterprises further exacerbating the troubles of the manufacturing sector.

Recently, the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC) have identified Lack of financial discipline, corruption and over budgeting (as related factors) that have combined to make it impossible for the country to meet critical financial obligations. Here, areas of financial needs experiencing problems include importation, payment of salaries, servicing of debts owed local contractors and investment in infrastructure.

Unfortunately, Nigeria does not generate enough funds to meet its obligation in these critical areas. Consequently, the country is gradually working its way back into the international debt trap. Specifically, Nigeria is becoming increasingly crippled and unable to meet its financial obligations due to outs of corruption in the oil industry and the misapplication of country's revenue earnings. In fact, as at January 2009, Nigeria had a balance of about $24 billion in the excess crude account. Recently, this amount may have reduced to about $2 billion; which implies that the excess crude account that Nigeria is relying on to make up its budget deficit is gone. Unlike the previous years budget, the 2010 budget is more than ₦4 trillion with a deficit of about ₦1.7 trillion. Similarly, there has been geometric increase in the expenditure profile of the federal government without commensurate increase in its revenue.

Particularly, the expenditure is heavy on the recurrent at the expense of investment in regeneration projects that will curb rising unemployment and yield revenue to government in the long run. Available statistics on the federal government expenditure have shown as increase in the past four years. In 2009 alone, the federal government's percentage of personal cost to the over all expenditure was 34 percent; and this is higher than capital investment whish is a regenerative investment. Again, as at June 2009, the foreign reserves of Nigeria was about $60 billion. But in less than one year, the foreign reserve has been depleted to about $40 billion. Although the central bank of Nigeria has reassured that it has enough reserve to service import into the country; it is however not clear how much of the foreign reserve is used to service importation that has to do with investment in the real sector of the economy.

Yet, the biggest problem with the country is finances in corruption which has grown beyond imagination over the years. It is basically because of the way government officials on the three tiers of government were talking money out of the country. In the same vein, the precarious financial position of the government has manifested in the inability of some government ministries and agencies to pay salaries. Consequently, economic experts are convinced that the dynamics of the Nigerian economy are hovering within negative Zones which constitute grave dangers if not checked. Statistically, Fitch ratings (international rating agency) delivered the most telling of such verdicts when it downgraded Nigeria's sovereign credit rating from stable to negative (as at 2010).

Critically, the import of this result is that there is a deterioration of the fundamental indicators of the economy.

Citing the depletion of excess crude account (ECA) and heightened political uncertainty ahead of 2011 elections Fitch noted that the Nigeria's current BB-, three notches below investment grade (constituted a threat to economic stability). In other words, the depletion of the ECA and continued gradual fall in international reserves at a time of high oil prices and record high oil production is a major concern. While acknowledging plans by the federal government to establish a sovereign wealth fund (SWF) to be governed by more robust prudential guidelines and removal of the fuel subsidy currently taken out of the ECA, Fitch noted that the implementation of these plans is not possible before the 2011 general election (apparently have increased short-term political uncertainty). Regrettably, it is ironic that the country is close to bankruptcy at a time when more funds are accruing to the Federal Account with crude oil price steady at around $ 75.9 per barrel (above the $ 65pb benchmark on which the budget was predicated). Unfortunately, since the beginning of the year 2010, the government has spent $ 1 billion on the 50th anniversary celebrations; the purchase of three new jets for the presidential fleet, and preparation for the 2011 elections. A salary increase for civil servants and the military and police also cost the government additional billions of Naira. To meet the persistent shortfalls in the Federation Account, the government has (apart from the ECA) also turned to the international markets for borrowings. Here, the fear being expressed in many quarters is that the increasing spate of domestic and external borrowings would further impoverish future generations of Nigerians, if the country does not bead with caution.

Ceteris paribus, it is expected that by the year 2015, Nigerians would have arrived at the Promised Land, where hunger and poverty would have been eradicated under the world-wide millennium development goals (MGDs). Under this programme, Nigeria would have promoted gender equality and women empowerment, reduced child mortality as well as improved health. It would have

also combated the dreaded human immune deficiency virus (HIV) and acquired immune deficiency syndrome (AIDS), malaria and other diseases.
Critically, the federal government must have achieved universal primary education, environmental sustainability and global development partnerships. Unfortunately, this picture of a new Nigeria has turned out a pie dream. Accordingly, Amina Zubair (senior special assistant to President Goodluck Jonathan on MDGs) revealed that more than one trillion naira had been sunk in the MDG projects (since 2006 take off year). Subsequently, Nigeria has been receiving one billion dollars (about ₦150 billion) debt relief annually from the Pairs Club (packaged for the MDGs). Similarly, there had been additional budgetary allocation of ₦110 billion annually in the last four years. Here, a greater proportion of this sum was given to the various state governments under the Conditional Grant Scheme (CGS). Indeed, other funds (some of which are public knowledge) have also been pouring in and are being expended in the name of the MDG projects since Nigeria endorsed the LIN declaration. However, the exact amount received and expended by the MGD office remains a top secret among managers of the federal government agency.
Empirically, it has been observed that the Jumbo fund spent to meet the eight MDGs 2015 target may have gone down the drain while majority of the citizens are left to suffer from high degree illiteracy, poverty, disease and other socio-economic and environmental problems. Specifically, one sector where money is said to have been spent, with no corresponding result is in the education sector.
Indeed, given the huge expenditure to have moved closer to meeting the set targets by year 2010. Here, life of the average Nigerian (especially the rural poor) ought to have improved dramatically. Rather, the country appears to be worse off and indications are that Nigeria will not advance close to the set targets (even by year 2020). In fact, late 2009, the Economic and Financial Commission (EFCC) released a list of 56 prominent Nigerians who allegedly had between them defrauded the nation of ₦243 billions of the lost, only eight of the suspects allegedly sole in millions; 17 of them were alleged by the EFCC to have stolen in billions, while the amounts allegedly stolen by some others were not specified. Here, all the listed cases are pending in the Law courts in different parts of the country. While 11 were instituted and handed over to Waziri by Nuhu Ribadu (Former EFCC Chairman); FARIDA WAZIRI (Chairman EFCC) commenced 22 of the cases. Subsequently, 56 persons alleged to have committed financial fraud were taken to court and 33 of the persons arraigned have been granted bail by the court under various circumstances while 19 were remanded in prison custody. Again, 2 of the persons arraigned have been convicted; charges have been filed against one, but the suspect has refused to appear in court, while court judgment is currently under review in one of the cases.

Indeed, the Nigerian's vision to be among the world's twenty top economies by the 2020 is commendable but for its lack of power to achieve demand, endemic corruption, inaccurate at the federal, state and local government levels make the

attainment of the vision a mirage. Statistical analysis quotes the effective demand for electric power in Nigeria to be only four million. This implies that only four million corporate and individual consumers pay for electric power consumption in Nigeria. Consequently, how the impact of the volume and value of this significant proportion of the country's huge population can power the economy and drown the darning leakages and negative impact of ubiquitous parasites and rent seekers to deliver the overarching objectives of the national vision remains a challenge. Unfortunately, the rest of the consumers estimated at about twenty million are believed not to be paying for their consumption. This has therefore been identified as the base of the power sector. Again, even if they all pay, how much will this add up to in the demand and revenue matrix, even with the effort by the federal government of Nigeria?
Consequently, power sector experts and analysts remain firm in their position that until this horrifying incongruity is corrected and all consumers begin to see electric power as an expensive service that must be paid for, all efforts aimed at achieving a more regular supply of electricity in the country would be futile. Thus, it is widely acknowledged that infrastructure deficiency is a major challenge in the country's development strides even as it remains in decrepit state.

Again, statistical review of the performance of Nigerian students in senior secondary certificate examination (SSCE) conducted by the West African Examination Council, (WAEC), National Examination Council (NECO) and the Joint Admission and Matriculation Board (JAMB) as well as other similar bodies in recent times reveal a tremendous drop in the quality of teaching and learning in the nation's educational system. Unfortunately, what government has been doing in the education sector is not actually geared towards improving the quality of teaching and learning in the public schools. Here, it is more or less a show-piece for people to see them as actually doing something. Rather, what we are witnessing presently in withdrawal or abdication of the role of government in the educational sector in the guise of privatization. Infact, the recent UNESCO National Education Support strategy report on Nigeria bemoaned the state of the country's education sector. Accordingly, the Nigeria's educational sector is facing some challenges which must be adequately addressed to enable the sector play the expected role as the 'Key Bridge' for the success of the government reform programs. They further noted that the educational system is critically dysfunctional, as graduates of many institutions cannot meet the needs of the country. Generally, institutions are in decay and corruption has become rampant. Again, the adult illiteracy rate is around 50% and about 76% of children of primary school age attend school while the participation rate falls to less than 30% for children of secondary school age. The report therefore listed key areas of concerns and challenges requiring urgent attention to include among others: persisting lack of reliable and timely data; lack of planning and management capacities as well as good governance and transparency in educational management and resource allocation; funding gap, poor and inadequate infrastructure and facilities. Yet empirical investigations has shown that though government has not rested on its oars, efforts and strategies aimed at uplifting the quality of education in Nigeria have not yielded the expected results. And this is due to policy instability and frequent change of personnel in the Education Ministry.

Indeed, the plight of Nigeria's growing number employed youths elicits fresh concerns, as job seekers fall victim to fraudsters and jubious charges by the military and Para-military to find work. These tragic loses encapsulates the fate of most job seekers in Nigeria, a country notorious for graduating thousands of university professionals every year without an effective employment plan. Consequently, the growing number of job seekers in Nigeria may have encouraged some jubious minded individuals to devise a means of extorting money and other forms of favour from applicants in their desperation to find elusive jobs. Here, even government agencies and ministries (including the military and Para-military services) are involved in making financial demand on the applicants through sale of employment forms. Thus, with unemployment figures hitting an alarming 40 million out of a population of 145 million, experts believed that it could require the determined effort of Nigerian government to free the country from the grips of unemployment. It is therefore the intention of the Nigerian government that ordinary citizens should feel the tangible benefits of the economic growth by ensuring that gainful employment increases commensurately with inclusive economic growth and wealth creation. Consequently, the present administration will initiate a new National Job Creation Scheme which are kick starting with seed funding of ₦50 billion as provided in the 2011 budget. The proposed schemes interventions are multifaceted, adopting short and medium term strategies to create thousands of new jobs in our urban and rural communities. To immediately impact unemployment, a public works programme will commence across the 36 states and the Federal Capital Territory. Essentially, this programme will involve the engagement of private sector contractors to implement simple, labour-intensive public works in areas such as the renovation and maintenance of buildings (schools, hospitals and primary health care centers); roads rehabilitation and maintenance works; urban sanitation and solid waste disposal; erosion control; and community works projects. Again, increased emphasis will be placed on apprenticeship programmes and the enforcement of local content regulations to enhance job placement, self employment and Nigerians participation in critical arrears of the economy. Yet, the sincerity of the intentions of the government towards implementation remains questionable.

4.0 NIGERIA: POLICY OPTIONS

Essentially, the promotion of good governance has been an important focus and key ingredient in developing efforts for Nigerian governments and the donor community since independence. While the first and second generations of economic reforms emphasized stabilization and structural adjustment, in order for markets to play a greater role in the economies; the current emphasizes on government issues is an admission that the nature of domestic institutions also matter for outcomes. But even where growth had resumed, the continued weakness of institutions, marked by civil strife and the absence of political pluralism, put the sustainability of the recovery into question.

Increasingly, god governance (participatory and inclusive politics) has been identified as the missing ingredient in the reform efforts undertaken so far. Consequently, participation is a process and not as event.

Thus, Nigerian's can succeed only if they embark on homegrown visions, development strategies and programs with which the majority of their peoples can identify.

Unfortunately, there is immense pressure to move quickly and the world is impatient. But one should recognize that there will often be a trade off between moving fast and the genuinely participatory approach. Here, if we fail to allow the time to genuinely open the process to different development actors and to the poor themselves, in the design, implementation and monitoring of poverty reduction strategies; we might win some immediate battles, but we may lose the Long-run war to develop the accountable institutions that are essential to wealth creation (and poverty reduction).

Thus, participation is the by which stake holders influence and share control over priority setting, policy making, resource allocations and program implementation. Basically, there is no blue print for participation because it plays a role in many different contexts and for different purposes. However, to achieve participatory outcomes at the macro economic level, it is necessary to use participatory approaches at both the micro economic and macro economic levels in a complementary manner for maximum effect. Here, these approaches entail several elements: as outcome oriented participation action plan, public information strategy and multistakeholder institutional arrangements for governance.

Figure 4.1 shows how the various stakeholders can interact with governments to affect processes at the macroeconomic level. Empirically, participatory processes including information dissemination, dialogue, collaboration in implementing programs and participatory monitoring and evaluation, are most effective when they are designed to be outcome oriented. In planning a participatory process, it is therefore important to keep in mind that the outcome-based approaches that are initiated and the institutional arrangements that support them can have an enduring influence over policy making and implementation. In other words, outcome-based approaches to participation at the macroeconomic level should provide policy makers with concrete inputs into their decision making and policy implementation. On one hand, open-ended participatory processes risk the result of generalities and vague recommendations and may not lead to direct influence over antipoverty policies. On the other hand, outcome-based approaches allow participation to be planned in such a way that all stakeholders feel included, gain ownership and can influence the process. Here, Table 4.1 shows a schematic for visualizing the process of designing a participatory process, moving from inputs to outputs to outcomes to impact. It also suggests a range of options, given the objectives of increased transparency and accountability; as well as the ultimate impact of effective development and poverty reduction policies and programs. Again, there are several

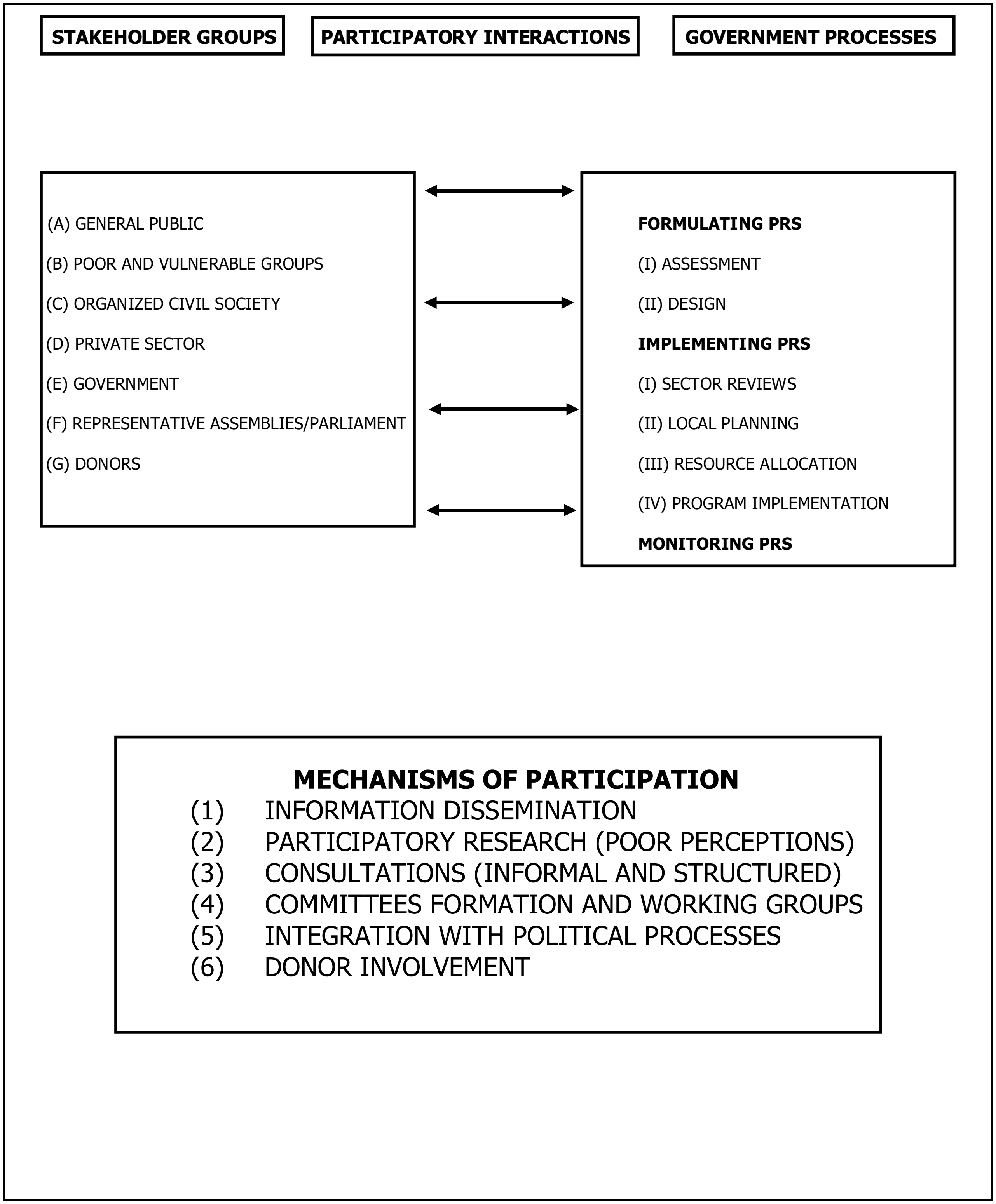


FIGURE 4.1 GOVERNMENT PROCESSES PARTICIPATION

TABLE 4.1 PARTICIPATORY PROCESS DESIGN

(A) FINAL IMPACT	(1) Effective development and poverty reduction strategies and actions
(B) KEY OUTCOMES	(1) Accountable, transparent and efficient processes for economic decision making resource allocation, expenditures and service delivery (2) Increased equity in development policies, goals and outcomes (3) Shared long-term vision among all stakeholders for development.
(C) KEY OUTPUTS	(1) Ongoing institutional arrangements for participation and consensus building in government decision making processes for macro economic policy formulation and implementation (2) Institutional capacity to demystify macro economic policies and budgets, analyze data and promote information exchange and public debates in parliaments, the media, and civil society. (3) Development of mechanisms for negotiation and rules of engagement between key stakeholder groups (4) Citizen report cards that monitor the medium-term expenditure framework (MTEF). (5) Development of feed back mechanisms and participatory monitoring systems that enable citizens and key stakeholders within the government to monitor key poverty reduction initiatives, publications, and outcomes as a part of poverty and implementation. (6) Choice of poverty reduction actions based on a better understanding of the multidimensional aspects of poverty and its causes including vulnerability, insecurity and governance.
(D)INPUTS:MECHANISMS AND METHODS	(1) Public information strategy (written and broadcast media, web sites, etc). (2) Participatory poverty assessments, integrating qualitative and quantitative indicators (3) Stakeholder analysis (4) Participatory choice of antipoverty actions to address Vulnerability, insecurity and governance (5) National workshops

	(6) Regional or local workshops (7) Focus groups and interviews (8) Building networks or coalitions of NGO (9) Participatory budget formulation and exp. tracking (10) Setting up poverty monitoring/coordination unit (11) Citizens survey and report card (12) Alternative PRSP preparation/policy proposals (13) Budget Demystification (14) Sector working groups/multistake holder Representation

guiding principles for participation that lead to more inclusive (equitable) processes for formulating, implementing and monitoring poverty reduction strategies. And yet, overtime, it has been found that processes that have the following characteristics can lead to effective participation and these include country ownership, outcome orientation, inclusive, transparency, sustainability and continuous improvement. However, figure 4.2 depicts an iterative poverty reduction strategy process and suggests various entry points for participatory processes. Here, it essentially shows how participation at various stages of the overall process can help build ownership over the strategy, make it more equitable to and representative of various stakeholders interests, increase the transparency of the policy formulation process and ultimately make the strategy more sustainable. Practically, there are four broad steps that can be taken in the design of poverty reduction strategy: poverty diagnostic, negotiation, interim PRS Formulation and Full PRS process.
Consequently, there are some general characteristics in the formulation of a participation action plan (PAP) and these include finding the starting point for a country; stakeholder analysis to map stakeholders with specific concerns and capacities for the PAP; determining the feasible level for participation, developing institutional arrangements for coordinating the process; selecting from a range of participatory process options; costing the participatory process; and setting a timeline. Yet, it is critical to the PRS process to identify both short and long-term goals for the strategy. Here, long-term goals provide a framework for poverty reduction while short-term outcomes provide milestones for measuring progress and allowing course corrections during the poverty reduction strategy cycle.

Here, once participatory processes for implementation and monitoring are institutionalized, they become less costly in time and resources and can provide effective channels for information exchange, dialogue and collaboration. It is therefore essential to setup feedback mechanisms which allow

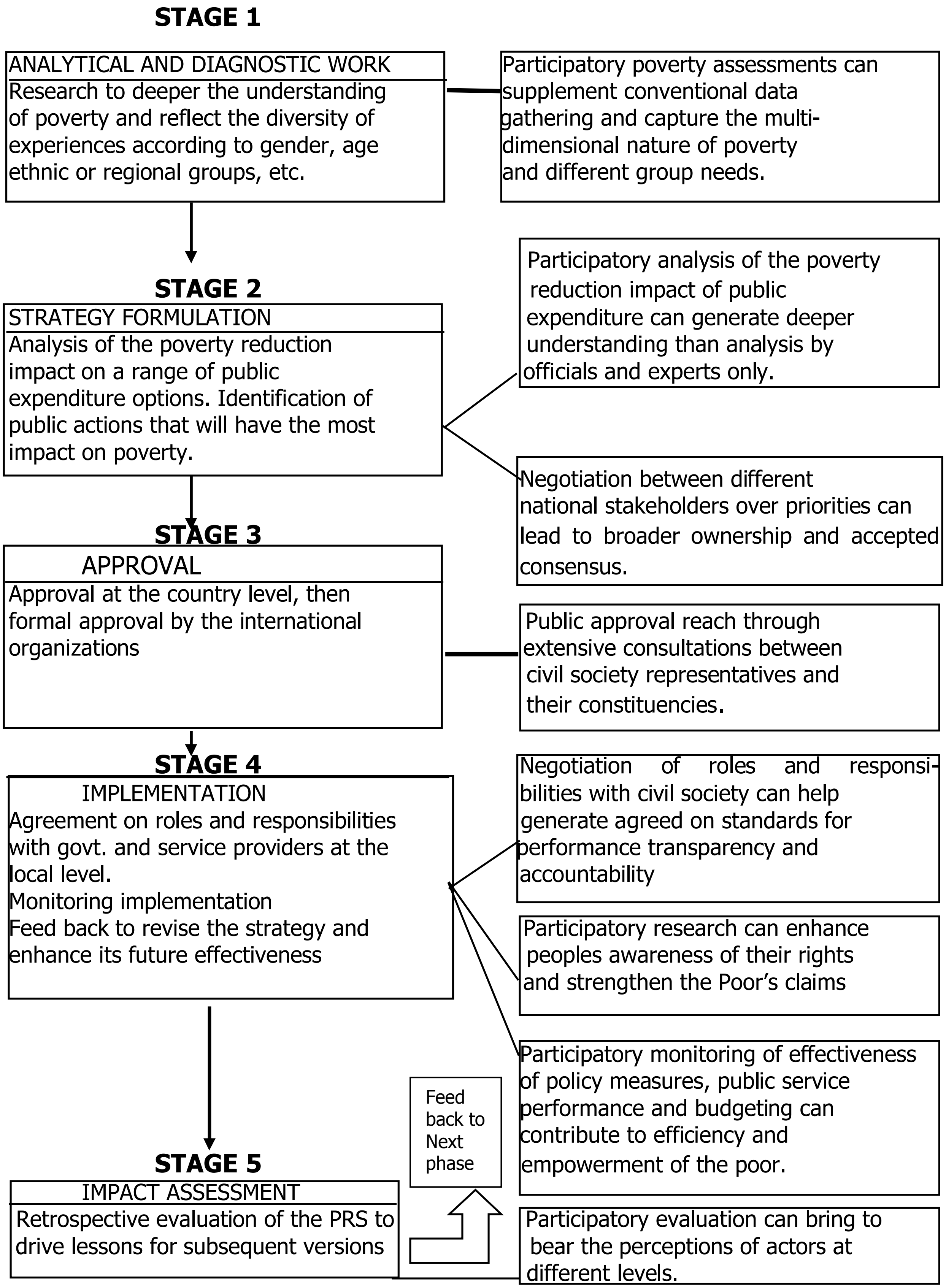
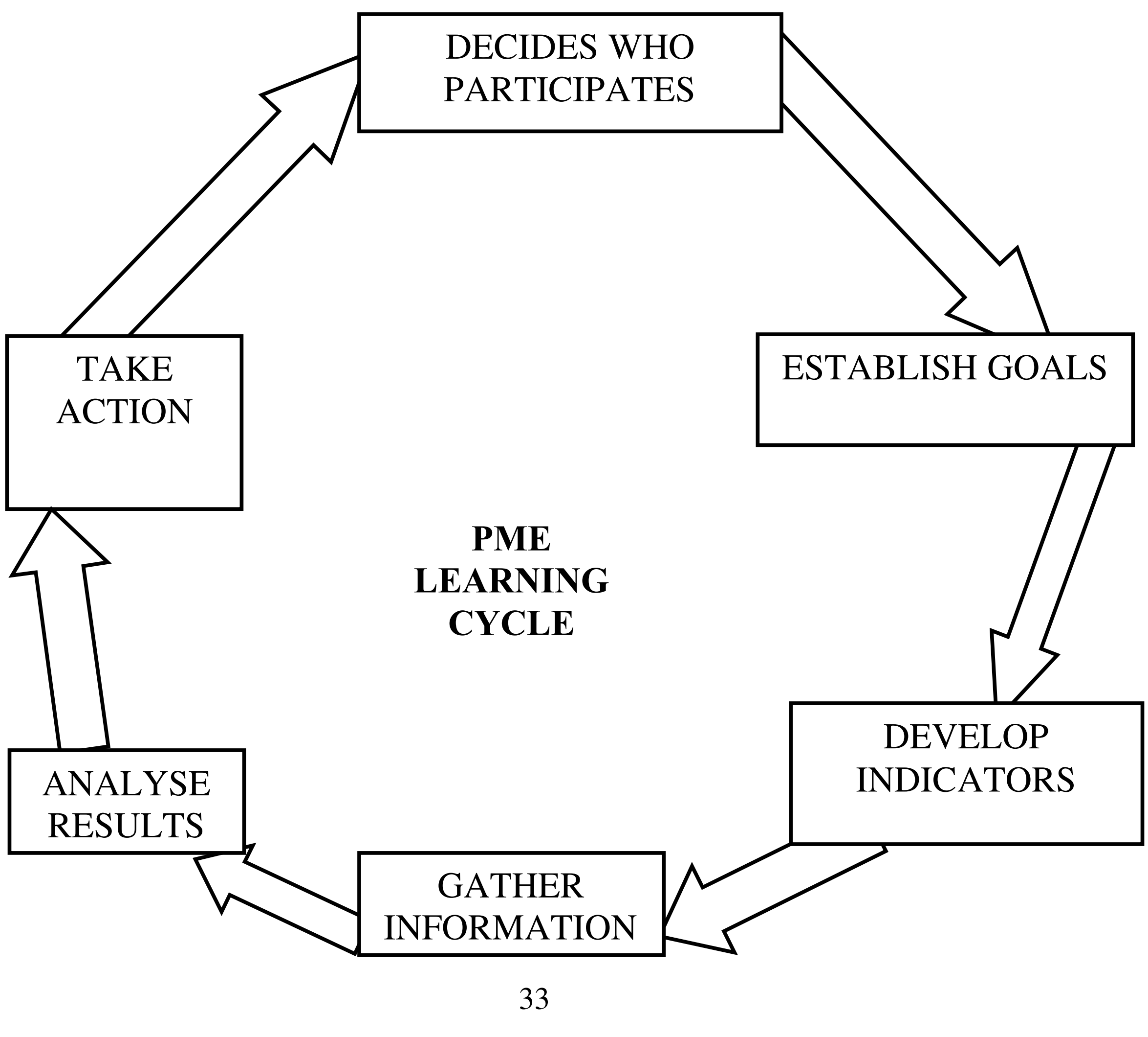


FIGURE 4.2 PRS PROCESS STAGES: PARTICIPATORY PROCESSES ASSISTANCE

Participatory inputs to be incorporated into the next round of policy making and make the PRS an iterative process. Generally, stake holders hold some form of negotiation (formal or informal) to make reach a common understanding of the scope, extent and context of the participatory process. It is equally recognized that different stake holders have differing perceptions of participation; ranging from a one-way flow of information from civil society to governments in the form of beneficiary assessment; to two-way flows of information with increased government dissemination of information; to more cooperate and collaborate arrangements for making decisions and implementing programs. Indeed, embarking on the poverty reduction strategy process involves an initial negation phase that is a key process in establishing commitment by all the stake holders. In fact, it allows parties to discuss what they believe a participatory process entails; how they define poverty; and how they believe participation can influence poverty reduction. Thus, perceptions of the meaning of poverty are critical to the establishment of an effective road map that leads to a viable process. Yet, initial negotiations allow the stake holders of the PRS to define the scope of participation and their goals for using participatory methods. Here, if this goal setting is used as a basis for an outcome-oriented approach to the PRS, it increases the effectiveness of the participatory process, especially if both short and long term goals are set. And given that previous participatory processes have focused on projects rather than policy, it is necessary that stake holders come to a common understanding of participation at the macroeconomic level (in decision making and policy implementation). Thus, governments that inform a wide range of stake holders as early as possible about the process and content of their policy making and implementation tend to have grater credibility with their constituencies. In other words, they are able to implement their programs more effectively by building trust between various stake holders (both within and outside the government). Here, the transaction of documents into local languages and the production of simplified documents with key messages may be central to information dissemination (particularly at local levels).

Empirically, monitoring public services allows citizens groups to give concrete feed back to the government on which it can act; and it allows community organizations to express their demands in a constructive way. Consequently, participatory approaches to monitoring enhance traditional approaches that use quantitative indicators by increasing the scope of what is monitored, focusing results from the perspectives of the poor; and including qualitative information that explains quantitative results. In fact, participatory approaches enable public to hold governments accountable for their actions or implementation and they can stimulate dialogue among various stake holders across the society. Thus, a well designed participatory monitoring and evaluation (PME) system builds on stake holder analyses to determine who can be involved in the PME process and what role they can play. Thus, through a well-designed PME process, it is possible to build skills in society that will allow independent monitoring of indicators, promote collaboration among civil society groups to improve their negotiating power; build trust among different stake holder groups; increase the space for civic engagement in policy making; and institutionalize feedback mechanisms that allow poverty reduction efforts to become iterative. Indeed, the iterative nature of the PME (as shown in figure 4.3) is essential for its success and sustainability. Here, if the feedback and information that is generated from a PME process is not incorporated into future rounds of decision-making and program implementation; it is virtually useless. Therefore, it is important to emphasize that participatory approaches in this phase of the PRS are critical because they build ownership, increase transparency and improve accountability. And once the indicators and data-gathering methods are chosen, the issue then becomes how to analyze these data and then incorporate them into policy making and program implementation. Thus, participatory analysis of PME data provides a useful mechanism for negotiating among stake holders

FIGURE 4.3 PRS CYCLICAL NATURE: PME REINFORCED



Over differences in interpretation and conclusions; and it offers another way of building ownership over the process as well as ensuring that conclusions reflect the views of diverse stake holders.

Technology (and realistically) Nigeria must be prepared to invest more in information and communication technologies (ICT); participate in the emerging new economy; and seek to achieve e-development (if not to catch-up, then to prevent being left behind). Consequently, governments have an important role in defining and establishing an enabling environment in which e-development can occur. This enabling environment supports and encourages progress within the country as well as setting the parameters and placing public policies that encourage economic and non-economic activities that increase society's well-being. With the rise of the new economy, the enabling environment must be reviewed to ensure that progress within this new world setting can be achieved.

Critically, governments must remain focused on improving access levels and quality of telecommunication and electricity infrastructure as well as education. As a direct support, government will encourage private firms to invest and participate in the new economy; internet access and diffusion; ICT domestic market creation and increasing levels of democracy. In addition to these direct interactions in the market place, governments can also provide indirect support to private firms by setting and enforcing policies required to boost and protect financial returns to ICT investment.

In other words, governments must encourage an entrepreneurial spirit amongst the business communities so that investment in the new economy takes place. Indeed, governments must balance the recognition that the gap between rich and poor could be made significantly worse if the present digital divide widens, but that a focus on achieving e-development at the full expense of present needs will probably lower current levels of social well-being. Yet, e-development is as important as traditional development. In other words, the policies that are required to support e-development also support traditional development. Perhaps then, e-development and traditional development should not be seen as mutually exclusive with the new economy but rather be seen as complementary. However, there is great hope that e-development within the new economy will provide a short cut to prosperity by allowing developing countries to bypass certain traditional phases of development (in the conventional, long lasting and belt tightening process of structural change from agrarian to industrial and ultimately) to knowledge-based service economies. Consequently, poor countries (such as Nigeria) once burdened by the 'object gap' now have the opportunity to overcome the limitations of natural resources by focusing future development strategies on increasing knowledge-intensive investment.

Specially, the so-called web 2.0 revolution has opened up new possibilities for debate and interaction; the creation of new personal media and the sharing of it through sites like you tube, face book, flicker and twitter. Practically, web 2.0 is commonly associated with web applications that facilitate interactive information sharing, interoperability, user-centered design, and collaboration on the World Wide Web. Rather than curtail there new media channels, governments are encouraged to regularly explore ways that can make them ride on these channels. In fact, the realization has come home in Nigeria where in the complex relationship between politicians, media and audience, the stage is gradually building for what may eventually be described as the country's first social media election (ceteris paribus). Consequently, the internet should be seen as a liberator, a tool whose possession or ability to access, allows individuals opposition parties and NGOS to escape the control, the state can exercise over television and radio channels as well as the press. This premise rest on a belief that the increasing penetration of telecommunication technologies and the growth of their use in Nigeria will allow social forces to organize, to create strong horizontal ties and to empower themselves; in order to join in a debate on the country's governance, culture and society.

Economically, sustained and healthy recovery of any nation rests on two rebalancing acts: Internal rebalancing (with a strengthening of private demand, allowing for fiscal consolidation) and external rebalancing (with an increase in net exports for deficit nation and a decrease in net exports for surplus nation). Thus, a number of policies are required to support these rebalancing acts. Essentially, the repair and reform of the financial sector need to accelerate to allow a resumption of healthy credit growth. Again, specific plans to cut future budget deficits are urgently needed to create room for fiscal policy maneuver. However, if global growth threatens to slow appreciably more than expected, a country with fiscal room could postpone some of the planned consolidation. However, an emerging economy will need to further develop domestic sources of growth with the support of greater exchange rate flexibility. Yet, more proactive policies are needed to achieve the required internal and external rebalancing. Here, monetary policy should stay highly supportive and should be the first line of defence against any larger-than-projected weakening of activity as fiscal support diminishes. And where policy rates rears zero, monetary policy makers may have to resort to further unconventional measures if private demand weakens unexpectedly as fiscal support wanes.

However, if global growth threatens to slow appreciably more than expected, a country with fiscal room could postpone some of the planned consolidation. Therefore, one of the most urgent challenges is to formulate plans that help achieve sustainable fiscal positions before the end of the present decade.

Consequently, there is the task to rebuild room for fiscal policy maneuver in the face of still volatile sovereign debt markets. Here, such room could be needed because monetary policy alone might not be to provide sufficient support to counter the threat of a weakening of activity that is markedly more pronounced than expected. And yet, fiscal policy tightening will likely prove contractionary although the extent is difficult to guage.
Again, the introduction of credible, growth friendly, medium-term fiscal consolidation plans would help limit the deflationary impact of consolidation on private demand in the short term. Here, such plans would have to include reforms to rapidly growing spending programmes (notably entitlements) and tax reforms that favour production rather than consumption. Thus, better financial sector policies and practices are critical for strengthening the resilience of the recovery to shocks and sustaining private demand over the medium term. Unfortunately, progress on this front has been very slow and apparently isolated difficulties in a few spots can have large spill over effects via complex financial linkages and deterioration of fragile confidence. Again, failure to rapidly resolve, restructure or consolidate weak barks and repairs wholesale markets raises the need for further fiscal backstopping and low interest rates to support recovery (which can also cause other problems. Consequently, policy makers need to continue to clarify and specify regulatory reform building on the improvements proposed by the Basel committee on banking supervision. This is expected to help financial markets and institutions provide more support (on a sounder basis) for consumption and investment that is essential for strong and sustainable growth. Here, structural policies that strengthen growth over the medium-term would help support the required normalization of macroeconomic policies and financial sector repair and reform are essential for stronger job creation. Similarly, labour market policies could enhance growth and job creation and reduce high unemployment over the medium term. Complementary reforms to product and service markets could also strengthen the employment effects by boosting labour demand and real wages through greater competition and lower markups on prices. However,

Generally, first-generation reforms have improved macroeconomic policy frameworks strengthening their resilience to macroeconomic shocks. However, to sustain or further raise potential growth and employment, efforts could usefully focus on simplifying product and services market regulation, raising human capital and building critical infrastructure. Here, such reforms would also help absorb growing capital inflows in a productive manner, which would accelerate global income convergence and external rebalancing. So far, we can argue that much progress has been made through coordinated policy responses in alleviating liquidity strains and rebuilding confidence; and this has been essential for activity to rebound. Yet, the challenge ahead is for policy makers to put in place (in a coordinated manner) policies that support the fundamental adjustments needed for a return to healthy medium term growth. Again, financial re-regulation should and will emphasize capital, reserve, and margin requirements, seeking to limit the build up of systemic risk by constraining leverage, in so far as it can be measured. Here, policy makers are also expected to fill the gaps in regulation, which is both incomplete and fragmented; this should curb regulatory arbitrage. Critically, policy makers should endeavor to protect people, even as they resist calls to protect industries, firms or jobs. Thus, the best protections a government can provide are education (which makes it easier to prick up new skills) and a strong rate of job creation (which makes it easier to find new employment). Beyond that, it is equally argues that governments should establish social safety nets, which provide a source of income to people between jobs. However, the exact form of these safety nets must vary, depending on the country's level of income, her strength of public administration, her tax-raising powers and the extent of poverty. Yet, a wide array of programs could also help cushion individuals from economic shocks by redistributing the costs among the population or inter-temporally through the fiscal system. Examples of some of these programs include unemployment insurance; wage subsidies paid to employers to offset cyclical down turns in hiring; extensive public works and infrastructural spending.

5.0 CONCLUTION

In a developing nation such as Nigeria, policy makers and political leaders have been forced by domestic circumstances and external donor, pressure to rethink the role of the state and that of its support structures in development. Thus, redefining the role of the state demands the creation of domestic institutions, including the public sector that is facilitators and not impediments to growth. Here, since many policies and decisions in government are taken or implemented by bureaucrats, they must have the necessary training and skills to do so. Consequently, the creation of the enabling environment for growth and development entails the attraction of high calibre workers to the public sector and putting in place facilities for training and skills upgrading. However, the government also needs to restructure the bureaucracy (including its size) not only to contain costs but also to enable the government to play meaningful wages to her workers. Again, proper financial management lies at the centre of good governance and accountability.

Unfortunately, financial controls within the public sector have been weak, leading to serious abuse and outright corruption.
Thus, the modernization of the financial system is crucial in the light of the decentralization efforts of the Nigerian Government. Similarly, there is need to raise the technical capacities for budgeting and financial analysis in the public sector. Again, government will never be able to meet all society's social and development needs. It is therefore necessary to encourage the participation of civil society in the formulation of policies. In other words, this demands the decentralization of power, to increase proximity to policy makers and to make it possible for citizens to monitor the performance of local leaders. However, mere proximity is not enough to ensure that citizens will be empowered at the local level. Rather, they need to be encouraged to participate in decisions that affect them. Consequently, decentralization and local empowerment have been identified as the key ingredients in any strategy that seeks to promote participation, good governance and accountability. Yet, it demands financial and human resources at the local level, along with the power to local leaders to manage and allocate them on the basis of local decisions and needs.

Indeed, the role of public sector is bound to change with the main tasks being to enforce policies, ensure that markets function properly and to undertake requisite regulatory measures. Here, the private sector should be supportive of private sector activities and not an impediment. And to make the public sector more efficient government should create independent agencies that manage key tasks such as tax collection; key sectors regulation (such as communications); and the management of monetary policy or investment promotion. Essentially, these agencies are allowed to determine their own wage structures and other incentives. Again, governance is part and parcel of the political process. Therefore, good governance cannot be sustained in as environment that is characterized by exclusive politics.

Yet, in Nigerian setting, the opening up of the political space (including the introduction of multi party politics and allowing a free press to operate) has raised the level of political accountability as well as political competition. However, the success achieved falls far short of the hopes raised in the 1990s (when the process began). And unfortunately, the behaviour of the political elite in Nigeria has not changed by much (as expected). Here, the key sequencing message is that comprehensive civil service reforms seen more likely to work where governments are motivated by arrangements that enable citizens to express their views and hold public officials accountable for results. Basically, these arrangements include a fair and transparent electoral process (with power-sharing arrangements to protect minority groups) as well as mechanisms to incorporate civil society and local governments within the policy making process. If governments are to be truly motivated by the concerns of their constituents, it is essential that the core state institutions have not been captured by special interests to any significant degree. Again, reforms can also be piloted in a particular region or municipality; and involving beneficiaries and other recipients of government services can help build a consensus on the standards to be set (the reforms needed to attain them) and the reporting and monitoring that will be needed to keep up the pressure for reform.

No developing nation (such as Nigeria) therefore ignores the need to invest in information and communication technologies (ICT). In fact, the world economic environment has changed (and continues to do so) and this change highlights the gaps between the rich and poor. But, technology by itself is not a solution to any development problem; rather it is a parameter of the economic space in which development will take place in the future. Thus, the new economy provides new opportunities for countries to develop, as the 'object gap' that they suffer becomes less important than it was in the past. As always, governments must balance competing needs and they must engage in the new economy but accept that possibly mirror the frustrating and slow progress achieved with traditional development strategies. However, to maximize this progress, governments must establish a new enabling environment that supports ICT investment and participation in the emerging (new) economy.

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