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Political Dispensation and Macroeconomic Performance in Nigeria (1970-2009)

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Abstract

This study examines the extent to which Nigeria has benefited from its democratic experience since independence. Using simple descriptive statistics and data series from 1970 to 2009, the study showed that the trend in macroeconomic performance has not significantly improved. Indeed, the period of democratic regimes seemed more volatile than the other period of non democratic regimes. The policy inferences from this analysis are that there is more to socioeconomic development than the form of government. Unless those development enhancing factors are addressed, democracy may not lead to improved socioeconomic development in Nigeria.

Keywords: Political Dispensation, Democratic Governance and Macroeconomic Performance

1.0 Introduction

The general opinion as supported by many of the reviewed literature shows that democracy is generally supportive of positive macroeconomic performance. As a result, most economies in the world now practice democracy as opposed to other non democratic systems of government. Democracy is a desirable system of governance all over the world. However, the experiences of many countries, developed and developing, has left many in doubt as to the

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relevance of democracy to positive macroeconomic performance. Before 1999, Nigeria has witnessed several distinctive episodes of both (mostly) autocratic and democratic governance since independence in 1960. As such the macroeconomic environment in the country has always remained the most affected by the diverse political systems adopted or forced on the people since independence. This has left scholars to wonder if political dispensation has any relevance to macroeconomic performance, or put directly, if democracy is a precondition for economic development. A plethora of works exist on governance and macroeconomic performance in Nigeria. Opinions are however divided amongst scholars as to the adequacy or otherwise of the status of democracy as a precondition for positive macroeconomic performance in Nigeria. There is yet any study to establish the position of political dispensation when it comes to the achievement of positive macroeconomic performance in Nigeria.

This study seeks to fill this gap by establishing solely on the basis of evidence which political system is on the overall beneficial to the Nigerian economy. The paper is divided into five sections. Section 1 introduces the work; section 2 review evidence from the existing studies across countries on the basis of which the study determines whether democracy and macroeconomic performance had moved in tandem in those countries or not. Section 3 characterizes democratic experience across the world while section 4 assess the macroeconomic performance across different political dispensations and regimes in Nigeria. In this section also, attempts were made to analyze possible factors that might explain the different economic realities in Nigeria during different political dispensations. Section 5 concludes with policy implications.

2.0 Democratic Governance and Economic performance? Review of Empirical Evidence

The development crisis in Africa has been described as a “Crisis of governance” (World Bank, 1989). It also follows that while the reasons for South Asia’s colossal human development are rooted in poor governance, the period of robust and rapid economic development growth in East Asia (Asian Tigers) is attributed to good governance. Governance has been defined as “the manner in which power is exercised in the management of a country’s economic and social development” (World Bank, 1992; UNDP 1997; Olowu, 2002). Political dispensation on the other hand is the system of governance that is in operation in a country at a particular period of time. Such dispensation could be democratic or autocratic.

Political economic theory suggests that in general, democratic governance is a fundamental factor to effectively advance human development. However, a review of relevant empirical literature has shown that relationship between political dispensation, democracy or autocracy, and macroeconomic performance ranges from no relevance to detrimental or beneficial. In the works of Sirowy and Inkeles (1999) who reviewed fifteen empirical investigations, eleven showed either no relationship or a conditional relationship existed between democracy and economic growth. Przeworski and Limongi (1993) reviewed eighteen studies and observed that eight established negative links, five positive links and five, no links. Nordhaus (1975), Olson (1982) Alesina and Rodrick (1994), and Keech (1995) also found a negative relationship between democracy and growth. Wittman (1989, 1995), Baba (1997), Lohmann (1999), however established a positive relationship between

democracy and growth. In sharp contrast with those who saw democracy as critical factors in promoting growth, Chani (2008) had found a positive relationship between autocracy and macroeconomic performance.

Some early studies, such as Kormendi and Meguire (1985) and Scully (1988) found statistically significant effects of measures of political freedom on growth. However, more recent studies have provided ambiguous results (see Helliwell, 1994; Przeworski and Limongi, 1993; and the survey by Brunetti, 1997). For instance, Barro (1996) concludes that the established links between democracy and growth are a result of the connections between democracy and other determinants of growth, such as human capital. Similarly, Rodrik (1997) concludes that, after controlling for other variables, “there does not seem to be a strong, determinate relationship between democracy and growth.”

It is obvious from the above review that there is no clear cut direction on whether democracy hinder or promotes growth. Indeed, the body of evidence seems tilted towards a negative relationship. In view of this and the fact that most of these evidences are not based on Nigerian data, it is imperative to examine the Nigerian experience with respect to how democracy has related to economic performance over the years.

3.0 *Characterization of Democracy in the World*

Democracy is simply a system of government in which the principal positions of political power are filled through regular, free, and fair elections. Governance on the other hand is the exercise of power in the management of a country’s resources. It is “the manner in which power is exercised in the management of a country’s economic and social development.”(World Bank1992; UNDP 1997; Olowu 2002). Governance draws attention to the public space or realm and its management. Democracy is always more difficult to define precisely because it means different things to different people. Although the notion of democratic governance evokes a clear and unambiguous meaning, in analytic terms, governance and democracy are distinct terms. However, it widely accepted that democratic governance which is largely characterized by high valued principles such as, Rule of Law, accountability, participation, transparency, and human and civil rights is in tandem with good governance. It is generally believed that democratic governance is a fundamental factor to effectively advance human development. The last quarter of the twentieth century witnessed the greatest expansion of democracy in the history of the world. About three of every five independent states in the world are democracies today. Electoral democracy is now the predominant form of government in the world. Since 1995, however, the overall number of democracies in the world has remained more or less constant (particularly if we discount marginal and dubious cases of democratization). Transitions to democracy have been largely offset by reversions from democratic to authoritarian rule. Authoritarian regimes are not only increasing in number, they are also more confident and influential (Freedom House 2010).

In its reach around the globe, democratization has been sweeping but far from universal. There remain significant regional disparities in the extent, depth, and stability of global democratization. The United States and Canada, Australia, and New Zealand, together with the 24 states of Western Europe (some quite small), are all stable, liberal democracies. Outside of Western Europe and the Anglophone states, liberal democracy is much more uneven and thinly rooted. Overall in Latin America and the Caribbean, about nine of every ten states are democratic, but only about half are liberal democracies. And a few, such as Argentina, Jamaica, and Trinidad and Tobago, have seen the quality of democracy deteriorate

in recent years. Similarly, in the Asia-Pacific region overall, 22 of the 37 states (59%) are democracies and eleven states (30%) are liberal democracies. Of the 25 states of East and South Asia, only about 2 in 5 are democracies. Four of the world's five remaining communist regimes (China, Vietnam, Laos, and North Korea) are in this region, and other highly closed regimes (such as Burma) also persist. Among the 27 post communist states that were part of the former Soviet bloc, we find a similar pattern of divergence.

The first group consists of the three Baltic states, which are more European in their outlook and pre-Soviet histories, and the twelve states of East Central Europe that were not part of the Soviet Union. Fourteen of these fifteen states are democratic (Bosnia is still an international protectorate), eleven of them are liberal democracies, and overall the region is moving steadily if still unevenly toward economic liberalization, democratic consolidation, and European integration. By contrast, of the remaining twelve states of the former Soviet Union, only three of these are counted as democracies, and three of these —Armenia, Georgia, and Ukraine—are only ambiguously so. In each case, electoral fraud and impediments to political pluralism and competition make it unclear whether it is really possible to change the national leadership through the electoral process. Russia is more clearly beyond this point, and so “electoral authoritarian.” There are no liberal democracies among the post-Soviet states, and the general direction of freedom in this region is negative.

In the 48 states of Sub-Saharan Africa, democracies, or at least popular aspirations for and appreciation of the democratic form of government, are more prevalent than at any time since decolonization. However, many African regimes that are labeled as democracies are hollow and ambiguous, and many others stake a claim to democratic status that is manifestly false. Only two African states have been continuously democratic since independence, Mauritius and Botswana. Both have small populations (around two million or under), and both have achieved a pace of economic development that has eluded most other countries in the region. The most important liberal democracy in Africa is South Africa, which has so far sustained high levels of freedom despite political turbulence, economic hardship, and dominance by a single party. By contrast, Africa's other big states are all struggling politically.

Of the principal regions of the world, the Middle East (including North Africa) is the one least hospitable to democracy at present. At most, only two of the 19 states in this broad region— Israel and Turkey—are democratic (and in Turkey, the military still exercises a veto on many important issues). None of the sixteen Arab states is a democracy, although several (Lebanon, Jordan, and Morocco) have at least some degree of electoral competition and societal pluralism. Bahrain is gradually exploring a possible democratic opening. The only liberal democracy in the region is the only Western-oriented state, Israel, and there freedom has diminished in recent years under the stress of terrorism.

4.0 *Political Dispensation in Nigeria*

Owing to the nature of this study, the descriptive method of analysis is employed. Secondary data is generated on the macroeconomic variables of interest from the fiscal, financial, real, and external sectors during this period and presented in tables. A comparative analysis is then carried out on these variables within and between dispensations and appropriate conclusion is drawn on the basis of the results of the analysis. The period of analysis is divided into five dispensations with each having as many episodes as the number of regimes that operated during that dispensation. Specifically, we have the first republic

(1960-1966), the first military dispensation (1966-1979), the second and third (aborted) republics (1979-1985), the second military dispensation (1983-1999), and the current democratic dispensation (1999-2010). A critical examination of Nigeria's political history in the past five decades reveals that there has been a predominantly military rulership. The history is ridden with a spectrum of bad governance and leadership which is demonstrable in diverse forms and dimensions of authoritarian regimes, even under the guise of democracy. This is typical of the personalized character of African politics in which formal constitutions and organizations are subordinate to individual rulers.

First Republic: 1960 to 1966 up to 1970

This period witnessed two regimes headed by Dr. Nnamdi Azikiwe as the Governor General from 1960 to 1963; and then as the Head of State when the country became a republic on October 1, 1963. This government was toppled through a coup d'état which ushered in the first military government headed by General J. T. U. Aguiyi Ironsi on January 15, 1966. In July of the same year, a counter coup headed by General Yakubu Gowon was staged by the Northerners which ushered in the second military junta. In 1967, Gowon divided the hitherto four regions of the country into twelve states to allay the fears of the minority groups. This division however led to a 3-year long civil war that led to the destruction of many lives (estimated at 1 million) and several million worth of properties. The data for this period 1960 to 1969 have been left out because no newly independent nation has absolute freedom to decide its economic direction; and Nigeria though politically sovereign was still economically dependent during this period. Furthermore, the latter part of this period, 1967 to 1970, was marred by the Nigerian Civil War.

Military Dispensation: 1970 TO 1979

The Gowon regime was in power until 1975. It is worthy of note that it's during this regime that many of Nigeria's major development programmes were undertaken in the name of reconstruction and rehabilitation of war-ridden areas. This period also saw the introduction of various forms of bursaries, scholarships, student loan schemes, etc.; a review programme for the improvement in salaries and wages, the Nigerianization decree, the change to Naira and Kobo, the change to the left-hand drive, etc. corruption was a major setback of the regime. In July 1975, another military regime headed by Brigadier General Murtala Ramat Muhammed and General Olusegun Obasanjo took over power. The Obasanjo administration willfully handed over power to a civilian regime, paving way for the second republic. (See table A.1 for summary of macroeconomic performance during this period.)

Second Republic: 1979 TO 1985

The second republic was short lived as a result of hunger, poverty and corruption that characterized the dispensation. The regime was deposed in 1983 by the third military regime headed by General Muhammadu Buhari. The Buhari regime (1983-85) identified indiscipline as the major problem of the country. It introduced War Against Indiscipline. It also introduced new press laws ostensibly to ensure a responsible national oriented press, different from the press that had basically served party, political and sectional interests. But the draconian press laws were actually an instrument for whipping the press into line and

curtailing public criticisms of the regime. This regime too did not last as it was toppled in a bloodless coup d'état headed by General Ibrahim Babangida which took place on August 27, 1983. (See table A.2 for summary of macroeconomic performance during this period.)

Second Military Dispensation: 1985 TO 1999

Babangida cited the misuse of power, violations of Human Rights and failure of the government to deal with the country's deepening economic crisis as justifications for the takeover. He moved to restore press freedom and announced pay cuts for military, police, civil service, and then the private sector. Babangida's failure to fulfill his promise to return the country to civilian rule in 1990 (later postponed to 1993), and ultimately, his cancellation of the June 12, 1993 Presidential Election which was generally believed to be the fairest in the country's electoral history led to his handing over to an interim government headed by Ernest Shonekan who was to rule until new elections in February, 1994. This was however not to be as the then defence minister, General Sanni Abacha forced the resignation of Ernest Shonekan, instituting another military regime.

The Abacha regime was fraught with gross abuse of Human Rights, extra judicial killings, and corruption, leading to many sanctions from the International Community. However, Abacha's wish to convert himself to a civilian President in October 1998 could not materialize as death overcame him in June of the same year. He was replaced by General AbdulSalam Abubakar. Neither Abacha nor Abubakar lifted the decree suspending the 1979 constitution. Both ruled through the Provisional Ruling Council which was the major decision making body during this period. In August 1998, Abubakar appointed Independent National Electoral Commission (INEC) to conduct elections which ushered in Nigeria's Fourth Republic in 1999. (See table A.3 for summary of macroeconomic performance during this period.)

Fourth Republic: 1999 TO DATE

After 16 years of uninterrupted military rule, the country was relieved to be returned to democracy. The Obasanjo administration ruled for two consecutive terms. The major achievements of this administration included improved Human Rights practices, greater press freedom, reduced corruption, debt relief, and greater international recognition and support. Its major challenge was youth restiveness and communal violence. After it failed to secure the much craved third term, it conducted fresh elections in 2007, ushering in the late Alhaji Umar Musa Yar'Adua as the new civilian President. Upon inception, Yar'Adua proposed a government of national unity which led to the two opposition parties promising to join him. He was the first Nigerian President to publicly declare his assets. He overturned many unpopular decisions of his predecessor such as hike in petroleum product prices and VAT. He also achieved relative peace in the Niger Delta by giving the amnesty to the youths who agreed to disarm. He died on May 5, 2010 and has been succeeded by his vice, Dr. Goodluck Jonathan. (See table A.4 for summary of macroeconomic performance during this period.)

Macroeconomic Performance by Political Regimes in Nigeria

Table below presents a summary of average macroeconomic indicators during each political dispensation in Nigeria. Six variables were identified as measures of macroeconomic

performance indicators. From the table it is obvious that fiscal imbalance is more pronounced in regime 5 and least in regime 1. For debt burden, it was heaviest in the democratic regime of 1999 to 2007. This coincides with the period Nigeria was classified as a highly indebted nation and given debt relief by Paris club. Economic growth, trade balance and inflation rate performed worst during the period of Abacha regime. The general observation from this casual analysis of these data is that macroeconomic variables were better in the democratic regimes than in the military regimes. Table 1 presents summary statistics of macroeconomic performance in Nigeria according to regimes while Table 2 and chart 1 both present the statistics in terms of military versus democracy. As earlier observed the democratic regimes are more macroeconomic performance friendly than the military regimes in Nigeria.

However, if the analysis was done with respect to the personality involved. The data showed that some military government personality showed better economic performance than the democratically elected government. For instance Regime 9 was more fiscally discipline than regime 8. More interesting is the fact that the military regime of Regime 6 was the most fiscally discipline among all the regimes. In term of appetite to borrowing, the debt ratio was highest during the regime 8 than any other regimes whether military or civilians. Regime 3 experienced the worse economic growth but relative higher during regime 8 and both are democratic governments. The external reserves depletion is a common trend in the democratic dispensation. In most of the democratic period the external reserves were lower than the periods of military era. Clearly, the overall picture is that the type of the political personality in power also matter in the determining the direction of macroeconomic trends.

Table 1: Political Regime and Selected macroeconomic performance in Nigeria

<i>POLITICAL DISPENSATION</i>	<i>DURATION</i>	<i>FISCAL IMBALANCE</i>	<i>EXTERNAL DEBT RATIO</i>	<i>PER CAPITA GROWTH RATE OF REAL GDP</i>	<i>TRADE BALANCE RATIO</i>	<i>EXTERNAL RESERVES</i>	<i>INFLATION RATE</i>
Regime 1	1970-1975	-0.683	0.04	5.98	3.67	2.15	14.28
Regime 2	1976-1979	-2.7	0.03	0.86	2.5	0.17	16.25
Regime 3	1980-1983	-2.05	0.04	-6.59	0.73	-0.12	15.42
Regime 4	1984-1985	-2.1	0.08	-0.67	0.25	0.45	22.55
Regime 5	1986-1993	-5.14	1.12	1.63	-0.78	1.16	27.12
Regime 6	1994-1998	-1.38	2.20	-15.99	-15.04	0.69	35.52
Regime 7	1998-1999	-3.3	2.03	-7.8	-8.4	0.41	10
Regime 8	1999-2006	-2.22	6.72	8.85	3.2	0.42	11.75
Regime 9	2007-2009	-1.74	0.77	5.23	0.48	0.05	12

Table 2: Macroeconomic performance in Military and Civilian Regimes in Nigeria

	<i>FISCAL IMBALANCE</i>	<i>EXTERNAL DEBT RATIO</i>	<i>PER CAPITA REAL GROWTH</i>	<i>TRADE BALANCE RATIO</i>	<i>EXTERNAL RESERVES</i>	<i>INFLATION RATE</i>
Military Era	-2.68	0.82	-1.15	-1.96	2.33	23.62

Civilian Era	-2.1	4.15	4.22	2.17	0.23	12.76
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Figure 1: Macroeconomic Performance During Different Political Regimes in Nigeria

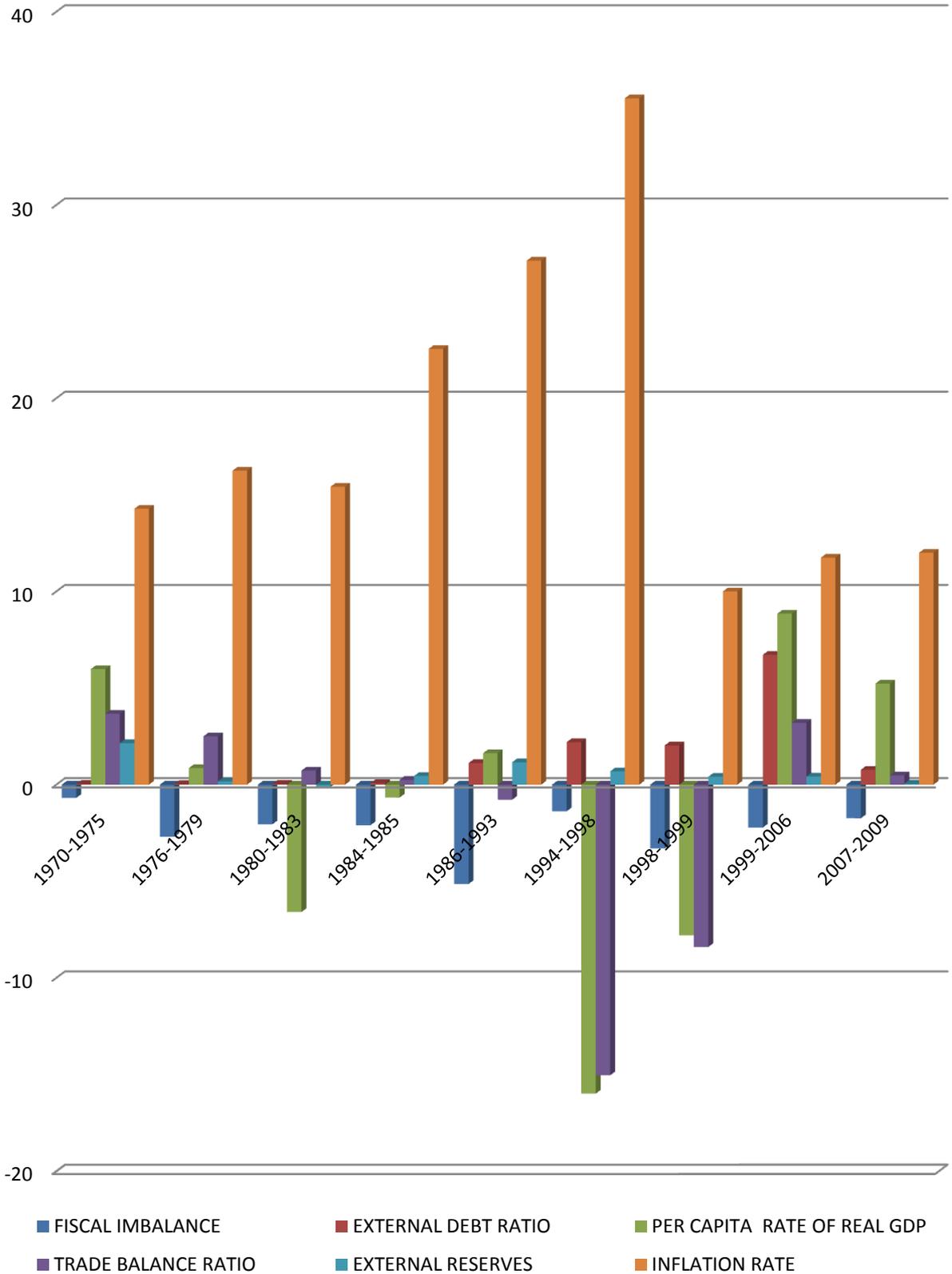
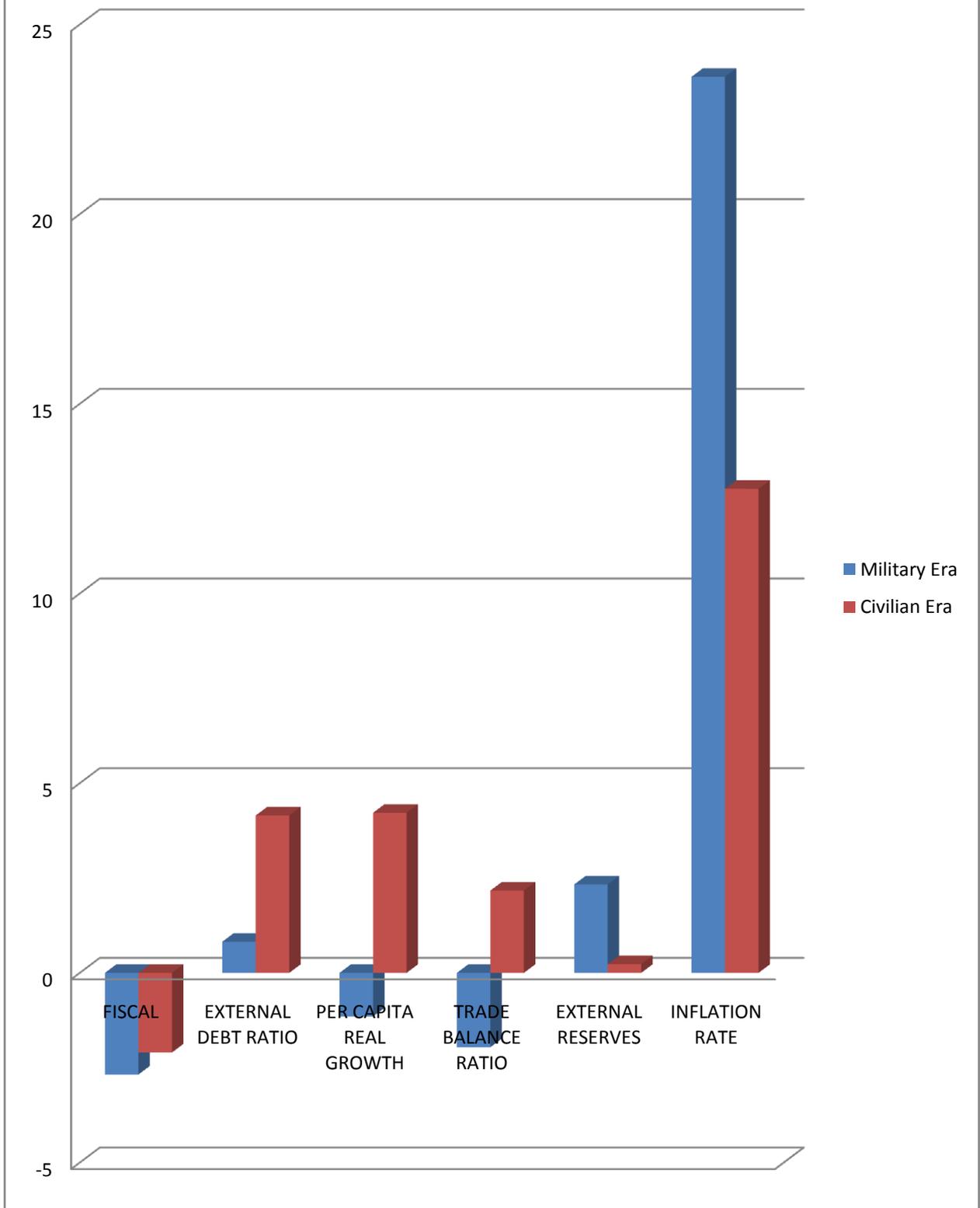


Figure 2: Macroeconomic performance indicators in Military versus Civilian Regimes



Why has this positive correlation between Democratic regime and Macroeconomic Performance not trickled down to the Masses in Nigeria?

One According to Hyden and Court (2002) there are six functional dimensions of governance which have implications on macroeconomic performance:

- (i) The *socializing dimension*: This refers to the way rules are constituted to channel participation in public affairs.
- (ii) The *aggregating dimension*, which refers to the ways a political system is organized to facilitate and control the making of public policy.
- (iii) The *Executive dimension*: Governments do not just make policies. They are also responsible for creating an environment in which people enjoy relative peace and security.
- (iv) The fourth dimension is the *managerial dimension*. Policy formulation and implementation is expected to be people and result oriented. In other words, the idea that rules must be legal-national, formal and logical sometimes makes such rules and policies to lack human face which should not necessarily follow in governance.
- (v) The fifth dimension is the *regulatory dimension*. It explains that in governance, state institutions are often created to regulate the economy. That is, the norms and institutions put in place to regulate how corporations operate as well as how capital may be transferred and trade conducted are all important aspects of governance.
- (vi) The sixth and final dimension is the *adjudicatory function*. Here, each political system develops its own structures for conflict and dispute resolution. How such institutions operate has a great bearing on popular perceptions of regime performance.

Problems of Governance

Three generic problems of governance underlie and obstruct the consolidation of democracy (Larry Diamond 2002).

- (i) The *first* and most urgent and pervasive problem is the weakness and frequent decay of the rule of law. In Nigeria, democracy is weak and insecure because political leaders lack sufficient democratic commitment—“political will”—to build or maintain institutions that constrain their own power. And civil society is too weak, or too divided, to compel them to do so. The more endemic the problem of corruption, the more likely it is to be accompanied by other serious deficiencies in the rule of law: smuggling, drug trafficking, criminal violence, personalization of power, and human rights abuses.
- (ii) The *second* broad source of malaise is economic. Economic reforms—insofar as they have even been implemented—have not yet generated rapid, sustainable economic growth in Nigeria. Economic growth is not rapid enough, and is not broadly distributed enough, to lift large segments of the population out of poverty or a very tenuous economic existence. The problem is compounded by extreme levels of inequality in income and wealth (especially, in rural areas, land). It is inconceivable that democracy can be consolidated in Nigeria unless substantial progress is made toward reduction of poverty and inequality. Between 1962 and 1985, Nigeria implemented four national development plans: (1962-1968), (1970-1974), (1975-1980), and (1981-1985). There was also (Anyanwu, et al 1997). These national plans either lacked proper cost-benefit analysis or were too ‘grandiose’ to be realizable, partly because they were for the most part authored by foreigners. The first development plan (1962-1968), for instance, was described by

colonial administrators who handed it down as “series of projects which were not coordinated or related to any overall economic target.” The plan also lacked complete feasibility studies and proper evaluation of projects (Arthur Lewis). The necessary coordination and implementation of plans were also ignored. Some of these plans were squandered on prestigious projects such as FESTAC ’77 while others were also affected by falling revenues from oil and increasing need for imported food as a result of delayed agricultural modernization.

- (iii) The *third* problem is the inability to manage ethnic, regional, and religious differences in a peaceful and inclusive way. Cultural diversity is not, in itself, an insurmountable obstacle to stable democracy. The problem arises when one ethnic or religious group seeks hegemony over others, or when some minorities perceive that they are being permanently and completely excluded from power, including any meaningful control of their own affairs. A major contributor to the unstable nature of Nigeria’s political dispensation and hence underdevelopment during this period is communal and ethnic discontent and the ensuing conflicts which cause abrupt changes government expenditures, thus making the GDP to fluctuate greatly, compounding the already unstable political climate to cause the collapse of the economy as was witnessed in the late 1960s, late 1970s and early 1980s.

These three problems—indeed, crises—of governance intensify and reinforce one another. The effort to build democracy in Nigeria, the most populous African country, is besieged by corruption, religious and ethnic violence, and a weak and fractious, and corrupt party system. Several regimes in Nigeria, both democratic and autocratic, have attempted to curb gross indiscipline and corruption and promote economic development. In spite of all these, the nation is still bedeviled by mass poverty and high income concentration among small groups of businessmen and politicians; unemployment and underemployment; lack of executive capacity; over dependence on petroleum and importation of goods and services; etc.. This is true irrespective of the political dispensation in the country.

5.0 Conclusion and Policy Implications

The study has descriptively shows that democracy though may not yet be perfect is still better in term of aggregate macroeconomic performance in Nigeria. However, there are some impediments to the full realization of the benefits of democratic dispensation in Nigeria.

The study finding is in contrast to what observed in the literature. In most of the literature review democracy was found to be less conducive to macroeconomic development. There many reasons why the result with Nigeria might be different. In most of the countries where non democratic regime thrives are in most cases are cultural homogenous and the traditional institutions are more institutional in the political structure. Africa remains an arena of highly contested forms of governance, where both democratic and autocratic institutions are weak, unstable and open to change. While a few African countries, such as Ghana and Mali, seem to be functioning reasonably well as democracies, most of Africa’s new democracies and quasi democracies seem to be slipping backwards to less trusted autistic rule. Authoritarian regimes may randomly provide high-quality governance, but if they do not, they can only be changed by force, which may take years or decades longer than under democratic institutions. On the other side of the coin, a number of authors have noted that the proliferation of interest

groups lobbying for power or for rents under democratic institutions may lead to policy gridlock, preventing the major decisions that are required in the development process. The most popular of those voicing this view is the former Prime Minister of Singapore, Lee Kuan Yew, who has argued that Singaporean growth—one of the most remarkable over the last 30 years—would not have occurred without the stringent restrictions on political and civil rights under his regime. Also, as shown by Chani (2008), the Pakistani economy is one of those countries where autocracy has been more favourable to positive macroeconomic performance than democracy. In cases where democracy is not associated with improved governance, it will have very little impact on growth. And in authoritarian countries where the quality of governance is high, growth is likely to also be at high levels.

In countries like Nigeria with several interest groups to balance, non democratic means of governance tends to lead to social unrest and chaos. This is in line with the evidence from other studies. For instance Francisco Rivera-Batiz (2002), also concluded that the introduction of democratic institutions in the form of more ample political rights, civil rights, and freedom of the press, among others, may or may not be associated with improved governance if the cultural setting is diverse and complex. The real question is the relative strength of these forces in the real world. However for democracy to positively affect the quality of governance, one key aspect of which is corruption, showing that the steady state rate of growth is determined by the economy's endowment of human capital plus a wide array of parameters that include, among others, the rate of time preference, the degree of corruption, and the productivity of human capital in generating inventions. This study therefore concluded that democracy is a key determinant of growth but only insofar as it is associated with improved governance.

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Appendix

Table A.1: Macroeconomic performance in Dispensation I (1970-1979)

<i>YEAR</i>	<i>FISCAL IMBALANCE</i>	<i>EXTERNAL DEBT BURDEN</i>	<i>REAL GDP PER CAPITA GROWTH RATE</i>	<i>TRADE BALANCE RATIO</i>	<i>EXTERNAL RESERVES</i>	<i>INFLATION RATE</i>
1970	(10.0)	0.041479	21.64	1.0	-0.09	13.8
1971	(2.6)	0.037854	11.12	1.0	0.26	16.0
1972	(0.8)	0.054284	0.55	1.0	0.45	3.2
1973	1.5	0.052147	2.47	2.0	0.26	5.4
1974	9.8	0.020252	8.05	16.0	11.91	13.4
1975	(2.0)	0.012877	-7.92	1.0	0.09	33.9
1976	(4.0)	0.012852	5.93	-1.0	-0.10	21.2
1977	(2.4)	0.011583	2.94	-2.0	-0.18	15.4
1978	(7.8)	0.042862	-8.95	4.0	-0.50	16.6
1979	3.4	0.05381	3.55	9.0	1.44	11.8
TOTAL	-14.9	0.34	39.38	32	13.54	150.7
AVE	-1.49	0.034	3.938	3.2	1.354	15.07

Table A.2: Macroeconomic performance in Dispensation 2 (1980-1983)

<i>YEAR</i>	<i>FISCAL IMBALANCE</i>	<i>EXTERNAL DEBT BURDEN</i>	<i>REAL GDP PER CAPITA GROWTH RATE</i>	<i>TRADE BALANCE RATIO</i>	<i>EXTERNAL RESERVES</i>	<i>INFLATION RATE</i>
1980	3.9	0.059176	1.03	5.0	0.79	9.9
1981	(3.8)	0.011359	-15.80	-1.0	-0.55	20.9
1982	(5.5)	0.044167	-3.35	-1.0	-0.58	7.7
1983	(2.8)	0.056992	-8.25	-0.1	-0.14	23.2
TOTAL	-8.2	0.171694	-26.37	2.9	-0.48	61.7
AVE	-2.05	0.042924	-6.59	0.725	-0.12	15.425

Table A.3: Macroeconomic performance in Dispensation 3 (1984-1998)

			<i>REAL GDP PER</i>	<i>TRADE</i>		

<i>YEAR</i>	<i>FISCAL IMBALANCE</i>	<i>EXTERNAL DEBT BURDEN</i>	<i>CAPITA GROWTH RATE</i>	<i>BALANCE RATIO</i>	<i>EXTERNAL RESERVES</i>	<i>INFLATION RATE</i>
1984	(2.1)	0.080674	-7.75	0.3	0.46	39.6
1985	(2.1)	0.086057	6.41	0.2	0.43	5.5
1986	(5.7)	0.201253	-0.50	-0.3	1.19	5.4
1987	(2.9)	0.492119	-3.59	0.1	0.29	10.2
1988	(4.4)	0.609237	6.78	-1.1	-0.30	38.3
1989	(3.7)	1.015478	4.17	2.0	3.11	40.9
1990	(4.4)	1.116107	5.15	6.1	1.60	7.5
1991	(6.2)	1.237678	1.82	2.0	0.27	13.0
1992	(4.3)	2.005649	-0.01	-19.0	-0.68	44.5
1993	(9.5)	2.30374	-0.73	4.0	3.80	57.2
1994	(4.8)	2.355461	-2.79	-12.0	-0.55	57.0
1995	0.5	2.54743	-0.51	-55.0	0.32	72.8
1996	0.8	2.101548	1.37	-0.01	3.32	29.3
1997	(0.1)	1.973138	-0.06	0.2	0.50	8.5
1998	(3.3)	2.036144	-0.78	-8.4	-0.14	10.0
TOTAL	-52.2	20.16171	-68.24	-80.91	13.62	439.7
AVE	-3.48	1.3441142	-4.549	-5.394	0.98	29.3133

Table A.4: Macroeconomic performance in Dispensation 4 (1999-2009)

<i>YEAR</i>	<i>FISCAL IMBALANCE</i>	<i>EXTERNAL DEBT BURDEN</i>	<i>REAL GDP PER CAPITA GROWTH RATE</i>	<i>TRADE BALANCE RATIO</i>	<i>EXTERNAL RESERVES</i>	<i>INFLATION RATE</i>
1999	(5.9)	8.25596	-1.42	-10.2	0.41	6.6
2000	(1.5)	9.409429	1.75	6.9	0.99	6.9
2001	(3.1)	8.897317	1.72	6.4	0.08	18.9
2002	(3.8)	9.078608	-0.05	-7.1	-0.14	12.9
2003	(2.0)	9.378052	21.7	-1.6	0.05	14.0
2004	(1.5)	9.269317	17.9	9.7	1.33	15.0
2005	(1.1)	4.796088	15.5	10.0	0.55	17.9
2006	(0.5)	0.757713	15.4	9.8	0.46	8.2
2007	(0.6)	0.679667	7.17	4.9	0.078	5.4
2008	(0.2)	0.733678	5.40	0.8	0.16	11.6
2009	(3.28)	0.823546	5.05	0.15	-0.10	12.4
TOTAL	-23.48	62.07938	89.67	29.75	3.87	129.8
AVE	-2.13	5.64358	9.88	2.70	0.35	11.8