

POLITICS OF ECONOMIC PLANNING AND SURVIVAL OF DEMOCRACY IN NIGERIA: 2007/2008 EXPERIENCE

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ABSTRACT

Enhancing a virile budgetary plan and adequate planning processes is germane to national development, growth and sustainability. This paper argues that for Nigeria's Fourth Republic to be sustained and the nation-building agenda realized government and indeed, public office holders at the corridors of power must expedite necessary actions in terms of fiscal revenue allocation to critical areas of Nigeria's national socio-economic and political development in order to give the entire budgetary process a human face. Realizing desired objective on Nigeria's path to greatness, the paper argues, is contingent on the will power, dedication and probity of both rulers and the ruled. This tendency is capable of generating valuable entry-point to socio-economic and political development and sustainability.

Keywords: *Politics of Planning, Democracy and Democratic Survival, Budgetary Process, Accountability.*

INTRODUCTION

Nigeria, like many Third World economies, has had to romance with diverse developmental strategies geared towards engendering overall socio-economic, cultural and environmental growth, development and sustainability. Thus, for nearly five decades since Nigeria's political independence, October 1, 1960, from Britain, major developmental strides have often yielded no meaningful results. Thus, the actual foundation of planning process by way of adequate and viable budgetary framework has grossly been inadequate. The major structural and institutional constraints standing on the path of development in Nigeria, among other things, include high level insensitivity on the part of public office holders and politicians, lack of vision and mission, lack of political will, plan distortions and underachievement, plan indiscipline, poor statistical base, and in most cases, lack of fund. To say the least, excessive bottlenecks and undue bureaucratic huddles have scuttled the smooth progress of planning process in Nigeria's Fourth Republic in general.

ISSUES IN NIGERIA'S ECONOMIC PLANNING

By all standards, any form of planning is synonymous with decision making with well defined goals and objectives, the purpose of which is to generate possible outcomes. Decisions at this level is relevant to individuals, groups, and government alike (Chikwendu, 1990). This means that adverse decision making may not necessarily propel socio-economic growth, development and sustainability. The success of any decision therefore is contingent upon the policy environment of the decision makers in all its ramifications. Obadan and Ogiogio (1995) argued that in the context of national economy, planning refers to the conscious coordination of economic policies and administrative interventions to achieve specified goals of development as embodied in a development plan. Thus, such plan strategies, however, must be comprehensive, be it sectoral, perspective, medium term, rolling or annual, and should largely define the means of which national economic development is to be advanced.

Similarly, Adebayo (1997) noted that national development plan is a government document which includes strategies and tactics, with an investment programme of projects and with policies and well defined

methods for the implementation of proposals. It is interesting to note that the deliberate loopholes created by the Yar'Adua administration and its failure to pass the 2009 Appropriation Bill has largely brought about socio-economic recession in Nigeria, which was why there was fracas at the floor of the National Assembly in 2009. This trend, by all reasons, falls short of acceptable democratic best practices and therefore may not enhance virile democratic project in Nigeria.

By extension, one of the reasons why planning is necessary in any society is the dire need to guide against misdirection of resources through the instrumentalities of the invisible hands (Todaro, 1999). The tendency here is to say that the society itself is bereft by an excruciatingly wide gap in terms of social ranking and material acquisition. In most cases, natural resource endowment is not equally distributed. These variables have made government fiscal interventions necessary to reallocate values to backward societies and regions. This is therefore the crux of the planning process. However, the reliability, accountability, probity and transparency of national processes are of very critical concern to this paper. This is so because any deviation from the principles of sound resource distributions, inadvertently leads to wanton systemic collapse, a practice that is obviously inimical to a nation's growth, progress and sustainability in the 21st century.

NIGERIA'S ECONOMIC BACKGROUND

It is noteworthy to mention that the prevailing problems facing the Nigerian budgetary system stems from the over-reliance on a monolithic oil-oriented and dominated economy since the 1970s. This trend allowed no room for economic diversification, hence, government revenue accrued strictly from oil base. To Adamolekun and Kiragu (2002), the gross mismanagement of oil funds by public office holders is largely the bone of contention in the management and allocation of public budgets for the past four decades. The attendant consequences of these are that government has practically found itself suffocating between contending forces seeking for survival either as individuals or groups. To a large extent, the Nigerian polity is simply subjected to a huge pressure created by sections of aggrieved persons or groups all in the name of struggles for resource control. Better still, there are groups who are unequivocally sponsored by aggrieved politicians who have lost elections one way or the other in recent times.

Of course, the view of this research is akin to the fact that the apologists of these sects could be right in their school of thought. It is obvious however to see a bold line of disconnect between those who call themselves public officers in the Nigerian politics and the people they govern at large. The gap is so wide in terms of living standards that some young men have no better option than to carry arms in self defence to drive home their grievances. Poverty today in Nigeria is put at more than 75% according to UNDP Reports 2008. There are industrial actions, the most notable of which is the current Academic Staff Union of Universities (ASUU) and several others in the country that are on-going.

Consequently, Nigeria appears to have a bad history of budgetary and planning system especially when arguments are drawn and narrowed down to very critical sectors of the Nigerian economy like the education, health, agriculture and power, respectively. The political coloration of economic planning in Nigeria is such that relevant socio-economic sectors that could positively impact on the people are willfully avoided while those that have little or no multiplier effect on the people are the ones that attract serious budgetary allocations. In the end, one finds that billions of tax payers' monies are diverted into private coffers with impunity. In the Nigerian context, it is a trend that can no longer be erased from the system. The political cabals who have deliberately been recycled by either hook or crook in public offices have actually seen nothing wrong in this exercise; hence it is fast becoming a tradition in the Nigerian system.

Fashoyin (1992) argued that governmental systems, military and civilian, not necessarily make any difference in terms of dispositions and psychology. Thus, the same arbitrary rule in the former is being replicated and applauded in the latter while several gospels are being preached about rules of law that are actually lawless.

IMPLICATIONS OF NIGERIA'S BUDGETS (2007-2008) FOR HUMAN DEVELOPMENT

The 2007 Budget was predicated on a production volume of 2.5 million barrels per day and a benchmark price of US\$40 per barrel. Based on these assumptions and a projected N100 billion from independent revenue sources,

projected total revenue available to fund the federal budget was N1.73 trillion. This represents 20% growth relative to 2006. The 2007 Appropriation Act authorized aggregate spending of N2.3 trillion made up of statutory transfers of N102 billion, Debt service of N326 billion and N1.88 trillion for Ministries, Departments and Agencies (MDAs) , while the projected deficit was therefore N570 billion or 2.5% of GDP (FOS, 2010). However, the performance of the 2007 Budget in the first half of 2007 has been mixed. While oil prices remained well above the benchmark price of US\$40 per barrel on which the budget was predicated, adverse production variances, due principally to disruptions in the Niger-Delta, resulted in weak revenue performance.

The projected revenue for 2007 was estimated to be about N796 billion short of budget expectations, of which N339 billion would be the impact on the Federal Budget. The implementation of the expenditure plans for 2007 was however insulated from the effects of the revenue underperformance through monthly releases, totaling N454 billion which were drawn from the Excess Crude Account in the first half of the year, though with negligible impact on Nigerians in terms of literacy enhancement, increase in per capital income and reduction in the escalating unemployment rates across states in Nigeria. Similarly, the 2008 budget derives on the following assumptions:

- (a) Oil price of \$53.83 per barrel
- (b) Crude oil production of 2.45 million barrels per day
- (c) Joint venture cash calls of US\$4.76 billion
- (d) GDP growth rate of 11%
- (e) Inflation rate of 8.5%, and
- (f) Exchange rate of N117 to US\$I (FOS, 2009)

Based on the aforementioned assumptions the sum of N4.539 trillion was expected to accrue from the Federation Account. This represents an increase of 5.5% over 2007. Oil Revenue is estimated at N3.629 trillion after taking account of existing commitments to Joint Venture Cash calls of N0.581 trillion. Oil Revenue represents 80% of the total estimated revenue, while non-oil Revenue represents 20%. Crude oil sales was expected to contribute N2.345 trillion as against N1.6 trillion in 2007, petroleum profit Tax was estimated at N1.282 trillion compared to N1.78 trillion in 2007; while Royalties and Rents accounted for N0.583 billion as against N0.532

billion in 2007. Non-oil Revenue was made up of companies' income tax, Value Added Tax and Customs and Excise Duties. The sum of N0.91 trillion was expected to accrue to the Federation Account from non-oil Revenue. Companies Income Tax was expected to account for N349 billion, as against N299 billion in 2007; Value Added Tax contributed N310 billion as against N265 billion in 2007 (FOS, 2010). Against the backdrop of the above, federal government expenditure derives thus:

- (a) Statutory transfers: N187.6 billion
- (b) Debt service: N372.2 billion
- (c) Spending by Ministries, Departments and Agencies (MDAs): N1.89 trillion.

In spite of the lofty plans by government, sectors including Transportation, Agriculture and Water resources, Education, Health, Energy, Security MDGs, pensions, public service reforms, etc, have not done so much towards enhancing the living conditions of Nigerians. This is further depicted in the sector by sector analysis (Table 3). From the analysis on table 3, it is clear that government's interest is very central in the development of security concerns (with a budgetary allocation of N44.60 billion) in 2008. Transportation has an average allocation of 77.3% followed by the energy sector (81.84%). Millennium Development Goals (MDG) has 53.9%. As for the power, it is worthy of mention that in spite of billions of naira and dollars injected into the sector, less than 3000MW can be generated out of the 6000MW earmarked by the Yar Adua's administration.

Thus, critical areas of the Nigerian economy including agriculture with less than 18% allocation on the average, education with less than 20% allocation from the Federation Account, call for serious concern. It is equally interesting to note that the history of budgetary allocations to the Education sector has been far below UNESCO benchmark of at least 27% every fiscal year. All of these budgetary anomalies have had very dangerous implications on Nigeria's road to progress as accentuated by the worsening low level of life expectancy, increasing illiteracy rates, decrease in per capita income and overall downward spiral of Nigeria's Gross Domestic Products (GDP), respectively. There is therefore the dire need for reversal of policy actions on the part of government bureaucracy in favor of critical sectors including energy, health, education and agriculture if Nigeria must attend the status of being one of the greatest economies by the year 20-20-20.

Table 1: The impact of budgets on human development as at 2008 across selected Nigerian states

States	LEB	ALR	CGER	GDP per capita	LEI	EI	GDP Index	HDIV
Nigeria	50	64.2	85.4	1156.82	0.419	07.12	0.409	0.513
Abia	53	79.2	110.4	407.75	0.458	0.896	0.235	0.530
Adamawa	47	54.6	88.6	209.34	0.358	0.659	0.123	0.380
Akwa Ibom	49	80.0	102.0	3813.01	0.392	0.873	0.608	0.624
Anambra	47	77.0	110.8	163.14	0.358	0.883	0.082	0.441
Bauchi	50	38.7	49.2	166.82	0.408	0.422	0.085	0.305
Bayelsa	50	64.3	100.6	5188.02	0.408	0.764	0.665	0.613
Benue	48	65.4	110.0	1434.43	0.375	0.803	0.445	0.541
Borno	53	26.9	43.0	529.52	0.458	0.322	0.278	0.353
Cross River	54	74.6	111.1	604.58	0.483	0.867	0.300	0.550
Delta	50	72.9	109.5	2,325.23	0.417	0.851	0.525	0.598
Ebonyi	48	56.6	114.0	197.68	0.383	0.757	0.114	0.418
Edo	47	76.2	111.4	327.62	0.367	0.879	0.198	0.481
Ekiti	55	74.4	118.8	316.56	0.500	0.892	0.192	0.528
Enugu	53	74.6	111.1	307.67	0.458	0.868	0.188	0.505
Gombe	49	51.7	41.6	352.35	0.400	0.483	0.210	0.364
Imo	51	75.4	112.1	412.32	0.425	0.876	0.236	0.512
Jigawa	48	38.7	33.2	996.01	0.375	0.368	0.384	0.376
Kaduna	47	62.3	90.6	707.00	0.367	0.717	0.326	0.470
Kano	51	57.5	61.4	683.76	0.433	0.588	0.321	0.447
Katsina	53	36.5	50.7	994.28	0.458	0.412	0.383	0.418
Kebbi	51	48.6	40.5	508.50	0.433	0.459	0.271	0.388
Kogi	48	63.5	118.9	147.01	0.383	0.820	0.064	0.422
Kwara	51	55.6	96.4	320.21	0.433	0.692	0.194	0.440
Lagos	48	89.4	105.5	2554.98	0.375	0.948	0.541	0.621
Nasarawa	51	51.1	101.12	1226.65	0.433	0.678	0.418	0.510
Niger	54	41.7	66.7	1687.79	0.483	0.500	0.472	0.485
Ogun	53	68.5	101.4	247.28	0.467	0.795	0.151	0.471
Ondo	51	75.8	114.4	1688.34	0.425	0.887	0.472	0.594
Osun	54	73.8	109.4	183.07	0.483	0.857	0.101	0.480
Oyo	52	72.6	103.5	280.29	0.450	0.829	0.172	0.484
Plateau	45	60.6	108.4	194.57	0.333	0.765	0.111	0.403
Rivers	45	80.5	116.1	5210.69	0.333	0.924	0.660	0.639
Sokoto	51	67.4	42.3	1488.98	0.425	0.590	0.451	0.489
Taraba	49	52.1	89.1	141.78	0.392	0.644	0.058	0.365
Yobe	50	24.3	44.0	261.00	0.408	0.308	0.160	0.293

LEB = Life expectancy at Birth (years), ALR = Adult literacy Rate (% aged 15 and above)

CGER = Combined Gross Enrolment Ratio for Primary and Secondary GDP per capita = Gross Domestic Product per capita (US\$), LEI = Life Expectancy Index, EI = Education Index, GDP Index = Gross Domestic Product index, HDIV = Human Development Index Value.

Source: Federal Office of Statistics (2008).

Table 2: Nigeria's Human Development Summary Statistics by Zones, 2008

Zones	HDIV	HPI GDM	GEM	INQ	
North Central	0.490	34.65	0.478	0.244	0.49
North West	0.420	44.15	0.376	0.117	0.44
North East	0.332	48.90	0.250	0.118	0.42
South West	0.523	21.50	0.507	0.285	0.48
South East	0.471	26.07	0.455	0.315	0.38
South South	0.573	26.61	0.575	0.251	0.41

HDIV = Human Development Index value, HPI = Human Poverty Index, GDM = Gender Development Measure, GEM = Gender Empowerment Measure, INQ = Inequality Measure.

Source: Federal Office of Statistics (2008).

Table 3: Expenditure by Sector (2008).

Sector	Expenditure (N)	Actual Expenditure %
Transportation	N94.36 trillion	77.36%
(a) Highway Construction and Rehabilitation	N73.1 billion	6.37%
(b) Survey, mapping and Geo-Information activities	N6.02 billion	
(c) Development of Air Transport	N9 billion	
Agric and Water Resources	N89.95 billion	
(a) Gurara water transport	N7.2 billion	8.00%
(b) Community Tractor service	N3.4 billion	3.77%
(c) Buyer of last Resort programme	N0.9 billion	1.00%
(d) Agric credits/subsidies	N4 billion	4.44%
(e) Chinese South-South cooperation programme	N0.3 billion	0.33%
Education	N210.45 billion	
(a) Capacity building	N7.8 billion	22.71%
(b) UBE Programmes	N39.7 billion	18.86%
Health	N138.17 billion	
(a) Refurbishing, National AIDs/ STI control programme	N49.37 billion	35.59%
(b) Roll Back malaria	N26.31 billion	19.04%
(c) Training of Health volunteers	N18.62 billion	13.47%
Energy	N139.78 billion	
(a) Completion of on-going power Transmission projects	N114.4 billion	81.84%
Security	N444.60	
MDGs	N110 billion	
(a) Debt Relief savings	N59.3 billion	53.90%
Pensions	N99.7 billion	
Public service Reforms	N22.5 billion	

Source: FOS, (2010)

THE NIGERIAN ECONOMIC POLICY ENVIRONMENT

Nye (1967), Dalton (1986), Adebayo (1986) and Olarewayu (1994) all agree that the environmental conditions surrounding the distortions in Nigeria's economic planning is partly external and internal. Firstly, there is the rising quest for foreign aid in form of long-term loan sought by most African countries (Nigeria inclusive) at the Bretton Wood Institutions of IMF and World Bank. The aftermath of this foreign aid has further plunged the entire continent into another era of colonialism with its attendant strings and conditionality attached. It is most worrisome when one notes that these aids are not only in cash, but also in kind by way of provision of obsolete equipment to Third World countries as part of socio-economic reform strategies.

Joseph (1999), Obi (2004) and Robinson (1998) argued that where these aids are given in cash, politicians and Nigerian comprador class and their collaborators would simply hijack the same into their private jurisdiction. This major cankerworm has been the bane of Nigerian policies to date. The situation has enhanced poverty, inequality, political instability and corruption in both high and low places (Udoji, 1999). The crippling effects of corruption and lack of utmost sense of policy focus and direction has been part and parcel of the Nigerian democracy since 1999 - date and it is still on-going with virtually no end in sight.

Herein lays the fallacy of democracy and democratization in Nigeria's Fourth Republic. Scholars have argued that Nigeria is not ripe yet for a full-fledged democracy. What we simply have is a kangaroo democratic experiment managed by few comprador elements within the context of "twist and turn" to any form without anybody asking. Where anyone bothers to ask, then such persons or groups would be canvassing for the harsh treats of security apparatus of state. Recently, the president of the most powerful nation-state in the world, President Barack Obama alluded in his state visited to Ghana that Nigeria's corrupt tendencies and the over-infiltration of a whole gamut of politics is the reason for our collective backwardness. Nigerian elites received this as the most horrendous threats to Nigerian class ego as we saw in several mixed reactions by politicians. He stopped in the soil of Ghana and went back. Then, American foremost diplomat and United States Secretary

of States, Hilary Clinton in her maiden visit to seven African countries (Nigeria inclusive) in her interactive session in Abuja, capital of Nigeria, the plenipotentiary in her characteristic manner addressed Nigerian issues just the way they are - the case of corruption and suppression of the wishes of masses into private whims and caprices. All of these are few of the very many observations leaders around the world have been making about Nigeria given the present socio-political order of things in the entire polity.

CONCLUSION AND RECOMMENDATIONS

It is interesting to note that several literatures on planning techniques in Nigeria have been already discussed by scholars of public policy analysis. It is obvious however to state that adequate development plans be encouraged and facilitated. Nigerian leaders must set their priorities right through an established unambiguous rolling plan capable of mobilizing available resources, both human and material geared towards realizing set targets. Nigeria has a strong faith in planning and has been doing this since antiquity. The experience in terms of policies and programmes over these years has been varied, but the lessons have remained the same. It can also be argued that planning as a means of managing resources has not succeeded in institutionalizing growth and diversifying the income base of the Nigerian economy. Nigeria, like many other Asian Tigers of Japan, China, Singapore and Taiwan have resorted to homeward-looking approach aimed at resolving internal economic quagmire.

The same case holds true if Nigeria can look back into its resource base and harness same appropriately. This measure will mean that public office holders must be reborn, become rededicated and resolve to truly move the nation forward. For Nigerian democracy to survive there is need to satisfy key economic sectors such as education, power, health, etc, which are the driving force of the nation's economy; unilateral and arbitrary decisions through the instrumentalities of gross executive collaboration, sycophancy, hypocrisy and greed, executive arrogance and overall militarization of the Nigerian nascent democracy as a whole. All of these measures by the current administration are totally unacceptable because Nigeria may not move forward in absence of sustainable education, health and power sector.

Existing in oblivion of the foregoing means those Nigerian children will not be literate to understand the intricacies of the agenda of nation-building. Besides, any nation managed by sick people presupposes that the nation's future is problematic because health, they say, is wealth. Lastly, absence of power as in the case of Nigeria means enhancing poverty more so that unemployment will rise considering the relevance of power to self-employment generation or otherwise.

All of the above mentioned are germane and forms part of the agenda for national reconciliation, rehabilitation and reintegration. Adopting the strategies as mentioned means that Nigeria is actually on the pathway to realizing the vision 20-20-20 as an off-shoot of the federal government seven-point agenda in the 21st century.

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