Socio-Economic Problems in Nigeria: Causes and Remedy

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Nigeria has huge strategic significance to Africa and the world at large. Nigeria is about the most populous country in Africa with a population of about 150 million and is endowed with numerous mineral resources. Nigeria is the fourteenth largest oil exporting country in the world. Despite these huge resources, Nigeria is still considered to be a poor country with a Gross Domestic Product (GDP) of about $374.3 Billion. Nigeria is engulfed with socio-economic problems which have caused poverty and conflict in the country. The growth of the country is still hampered by consumptive cultures, weak institutions and fragile political structures. This project will examine the following: What are the socio-economic problems facing Nigeria that could be responsible for the weak government institutions in the country? What kind of value system does the country have? What must Nigeria do to address these challenges? The project would also attempt to offer suggestions on how to establish good governance and the strengthening of weak institutions which are essential to overcome these socio-economic problems.
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Nigeria has huge strategic significance to Africa and the world at large. Nigeria is about the most populous country in Africa with a population of about 150 million and is endowed with numerous mineral resources. Nigeria is the fourteenth largest oil exporting country in the world. Despite these huge resources, Nigeria is still considered to be a poor country with a Gross Domestic Product (GDP) of about $374.3 Billion. Nigeria is engulfed with socio-economic problems which have caused poverty and conflict in the country. The growth of the country is still hampered by consumptive cultures, weak institutions and fragile political structures. This project will examine the following: What are the socio-economic problems facing Nigeria that could be responsible for the weak government institutions in the country? What kind of value system does the country have? What must Nigeria do to address these challenges? The project would also attempt to offer suggestions on how to establish good governance and the strengthening of weak institutions which are essential to overcome these socio-economic problems.
Money won’t create success, the freedom to make it will.

—Nelson Mandela

Nigeria is Africa’s most populous country with an estimated population of about 150 million and a land mass of 923,768 square kilometers which is more than twice the size of California in the United States of America (U.S.). It has abundant natural resources and is the fourteenth largest exporter of crude oil in the world. From 2009 estimates, the country has a gross domestic product (GDP) of $377.6 billion and per capita GDP of $2,400. Nigeria is estimated to have a population growth rate of 2.3%. With these enormous natural and human resources, the country ought to be one of the world leading economies but, unfortunately, Nigeria is still entrapped in a web of socio-economic problems which hinder her growth. For example, about 54.7% of Nigeria’s population lives below the poverty line.

In October 1960, Nigeria gained her independence from Great Britain; and in the fifty-one years of her independence it has witnessed several conflicts, and a civil war, arising from deep seated divisions. These conflicts led to the truncation of the first civilian regime by the military in 1966. The country has witnessed six military coups and three democratic governments. The challenges to stability in Nigeria can be seen in the political, social and economic dimensions of the society. Poor governance and weak institutions have been an integral part of Nigeria’s experience since independence.

Previous research work reveals that most governments in Africa are faced with difficult economic environments due to inadequate road infrastructure, inefficient ports, severe power outages and, worst of all, endemic corruption in government.
frequent changes in Nigeria’s leadership does not allow for continuity in governance and a process of smooth transition to a new government. Since the restoration of democracy in May 1999, civilian administrations have had to grapple with numerous socio-economic problems and the attendant social malaise in a volatile, uncertain, complex and ambiguous environment. As common with most of the new states of Africa and Asia, no problem has more fiercely challenged political order in Nigeria than ethno-religious conflicts. This paper examines Nigeria’s history and political weaknesses. It will discuss how poor governance has affected the economy and created social problems which are the key stress points common to developing countries. It will also evaluate the performance of the Nigerian Government in these key areas and offer recommendations to address these problems.

**Historical Overview**

Nigeria’s history is replete with short-lived governments, dysfunctional institutions and poor leadership. This has shaped how Nigerians perceive issues of politics and nation building. Nigeria has three predominant regions, namely Northern Nigeria inhabited by the Hausas, West Nigeria with the Yoruba and South with the Igbos. Following the Berlin Conference in 1885 and subsequent treaties, Nigeria was incrementally colonized by Britain as a British protectorate and was amalgamated in 1914. Lord Fredrick Lugard, a British soldier, was appointed as the first Administrator of Nigeria from 1914 to 1919. At the outset, Northern Nigeria was governed separately from the South under Lord Lugard’s doctrine of indirect rule. This provided for the continued status and authority of traditional rulers, and Islamic legal and religious institutions which is a root cause of existing ethno-regional rivalries. The Southern and Western portions of Nigeria were opened to missionary activity and Christianity became
the predominant religion in those regions. The presence of major administrative and commercial centers in southern Nigeria fostered education, commerce, and a professional class. These social and economic differences, along with institutional changes, gave rise to a contentious regional landscape.

After World War II, Nigeria was organized as a federal system and divided into Northern, Western, and Eastern Regions. The federal system of government was expected to meet demands for regional autonomy while addressing the need to share the country’s limited, and unevenly spread, resources. Nigeria initially kept this structure at independence in 1960, along with a “Westminster” style parliamentary government. Federalism created strongly differentiated regions and a comparatively weak political center. These constituted separate social, political, and economic spheres of control for sectional elites.

The Northern Region was dominated by the Hausa – Fulani, who patronized the Northern People’s Congress (NPC) Party. The Northern region’s revenue was from groundnut and cotton exports along with some solid minerals. These provided a significant revenue base for the party and regional elites. In the Western Region, the Yoruba group predominated and supported the Action Group (AG) Party. Cocoa and palm oil economy provided revenues for this region. The largest group in the Eastern region was the Igbo, who largely supported the National Council of Nigeria and the Cameroons (NCNC) Party. Coal, Palm Oil and agro-products were the foundation of regional revenues before the discovery of petroleum in the region in 1958. In each region the elites used ethnicity, religion and resources to consolidate electoral control
and political support, seeking to maintain party dominance in the region, while jockeying for central parliamentary advantage.

The NPC won the federal election of 1964 and gained control of the government by virtue of the region’s population and winning the majority of the seats in the parliament. The election result was not accepted by the AG Party, which claimed election fraud. Also, there were growing regional controversies over the results of the national census and the conduct of the 1964 elections. This increased social restiveness and sporadic violence, leading to a military coup in January 1966 led by Major Chukwuma Nzeogwu from the Igbo tribe. Prime Minister Tafawa Balewa, the Sardauna of Sokoto, Sir Ahmadu Bello, and some prominent northern leaders, were killed in the coup and the government was replaced with a unified administration. This incited Northern resentment, leading to a countercoup in July 1966 by General Yakubu Gowon, a Christian from the Ngas ethnic group from Plateau State in the North-Central region.

The assassination of Sir Ahmadu Bello and Tafawa Balewa continued to feed anti-Igbo resentment in the north, prompting widespread violence and the killing of the Igbos. This led to the exodus of Igbos’ back to their region and an attempt to secede from Nigeria. In a bid to checkmate the Eastern Region’s secession plan from the federation in 1967, the federal military government under General Yakubu Gowon appealed to minorities in southern region, and elsewhere, by dividing the country into twelve states; six in both north and south. That historic decision created a territorial imbalance, which favored the north, and especially weakened the Eastern region, by carving out states from minority groups in an attempt to isolate the Igbos.”
response, Igbo military officers, led by Lt Col Odumegwu Ojukwu, continued with their plan for secession as the Republic of Biafra in July 1967, leading to a 30 month civil war. Federal forces ended the secessionist bid in January 1970, when Biafran troops surrendered and Gowon’s regime pursued a policy of unification and reconciliation.\textsuperscript{24} It was estimated that more than one million Nigerians, mainly from the South, died in this civil war.

At the end of the civil war in 1970, the Gowon regime replaced the regional structure with a system of states that steadily increased to the present 36 state structure. The logic behind state creation was to break up major ethnic blocks and to provide political representation and resources for a greater number of minorities.\textsuperscript{25} However, this policy created a problem of having nonviable states, as some of the state governments could hardly generate the funds to run their state without reliance on the federal account.\textsuperscript{26} This put enormous pressure on the federal accounts, leaving the Federal Government of Nigeria (FGN) with inadequate resources for developmental projects that would create jobs. It also intensified ethnic rivalries for resource allocation from the FGN.\textsuperscript{27}

In 1999, after sixteen years of military rule, Olusegun Obasanjo, who is a Christian from the West of Nigeria, was elected as president under the auspices of the Peoples Democratic Party (PDP) which was the ruling party. The PDP adopted an informal rotational nomination of presidential candidates in an attempt to satisfy ethno-religious balancing in the polity. At the end of President Obasanjo’s Administration in 2007, he transferred power to President Umar Musa Yar Adua, a Northerner. President Yar Adua’s death in office, on May 5, 2010, necessitated the transfer of power to his
Vice-President, Dr Goodluck Jonathan, from the south of Nigeria. However, Dr Jonathan’s eventual nomination and election as president was viewed by some northerners as not satisfying the rotational criteria and is a possible reason for the current restiveness in Northern Nigeria. The numerous ethno-religious problems in Nigeria have potentially weakened the federal political system, which has led to socio-economic problems in the country.

**Political Structure Weaknesses**

Over the years, Nigerians have repeatedly turned to democratic institutions to provide regional representation to pursue diverse interests. After the failure of the parliamentary model of government in the First Republic, a constitutional conference was held in 1977 which selected the United States model of presidential system of government as the basis for the new democratic regime. On October 01, 1979, Nigeria adopted the presidential system of government under the Shagari Administration after thirteen years of military rule. The Second Republic only lasted from 1979 to 1983.

Corruption, political violence and electoral fraud undermined the legitimacy of the civilian administration leading to a military takeover of government in January 1984. The Shagari Administration was overthrown after four years in government by the military who accused them of gross corrupt practices. On May 29, 1999, democracy was finally restored to Nigeria after sixteen years of military rule. From independence in 1960 to 1999, when the military restored democracy, there have been seven military and three civilian heads of government. Military rule was characterized by frequent coups and change of governments which hampered political stability and has not allowed for the nurturing of good governance and democratic values. This has
contributed to the institutional weakness of the Nigerian State and fed the cycle of corruption.

Weak institutions have been responsible for poor delivery of public services, inadequate policing, and erratic administration. The central government and political elites have been deficient in the provision of collective goods, including infrastructure, social provisions, regulation, and public order. In the absence of a neutral and effective source of public goods, Nigerians seek amenities on a particular basis from politicians. To satisfy this demand, politicians indulge in corrupt practices and favoritism which aggravates social divisions, further undermining the legitimacy of government leading to increased ethno-regional tensions. The absence of good democratic values that provide access and accountability to the people, gives rise to further poor governance. This contributes to deepening poverty, creating a foundation for social unrest.

Nigerians are also grossly disenfranchised with the zero sum nature of Nigerian politics. The problems and weaknesses arise from a history of flawed elections, the dominance of the ruling party, and scant evidence of political accountability. These have undermined the legitimacy of democratic rule. For democracy to thrive it requires strong institutions such as the legislature, courts, police, armed forces and civil service for good governance; but unfortunately many of these institutions are weak due to poor leadership and corruption; and have fostered problems of governance. The weak political structures in Nigeria have also had a negative impact on the economy.

Overview of the Nigerian Economy

Recent statistics indicate that Nigeria’s economy has continued to grow by about 7% yearly, mainly from the oil sector, and is projected to be Africa’s largest by 2015.
The economic growth rate is impressive but still falls short of the government’s drive to hit a 15% growth rate. The Nigerian economy is basically consumptive in nature and overly reliant on imports. It has a weak industrial base and financial institutions. About 80% of the country’s income comes from oil and a meager 15% from other sources.\(^{35}\) Before the discovery of oil, Nigeria was an agrarian economy which promoted free enterprise. The regions retained half of their locally derived revenues, which were based on exports.

Since the discovery of oil, Nigeria can be said to be suffering from the “Dutch Disease,” which is caused by sudden large increases in the country’s foreign income.\(^{36}\) Dutch Disease is primarily associated with a natural resource discovery, resulting in a large increase in foreign revenue, including foreign direct investment, foreign aid or a substantial increase in natural resource prices. This has two main effects. First, there is a decrease in price competitiveness, as the country’s manufactured goods are over-priced in the global market. Second, there is an increase in imports because of the increase in income to the government (too much wealth managed unwisely).\(^{37}\) The Dutch Disease pushes out local manufacturing and negatively affects the social contract, because the government no longer relies on local revenues, such as taxes, but on foreign revenue.

The large income boost from oil exports increased the exchange rate of Nigeria’s currency, the Naira, in the world market. This also affected the price of the other export commodities, like cocoa, which became over-priced in the global market. Consequently, Nigeria’s exports became un-attractive in the world market leading to the eventual collapse of those privately owned cottage industries. The closure of these firms led to
unemployment for a large number of people. Also, the owners of these firms had to divert their businesses to servicing oil projects, thereby making the economy overly reliant on oil. This has created a situation where any turbulence in global oil prices has very serious impacts on the economy given that oil revenue accounts for 80% of the country’s income.\(^{38}\)

Another issue affecting the economy is that of low productivity arising from Nigeria’s poor power supply infrastructure which has affected industrial production. The power corporations have not been able to meet local demand due to ageing infrastructure and limited generation capacity. Due to the low supply of power in the country, manufacturers rely on generators to augment the local supply. This has made the cost of production very high and unattractive to foreign firms that may want to invest in the country. Consequently, the industrial sector accounts for only 5% of the country’s GDP.\(^{39}\)

The FGN distribution of revenues from oil has also been controversial. In the 1971 allocation, the FGN retained nearly 60% of the revenue, 30% went to the states and 10% to local governments.\(^{40}\) The FGN applied complex formulas and demographic data using land and population to determine revenue allocations to the states. Over the years, this formula has been altered based on pressures from the states that are overly reliant on revenue from the FGN. Currently, the FGN takes 52%, the states take 27% and the local government gets about 21%. Additionally, the FGN allocates about 13% of onshore petroleum revenues to the oil producing states.\(^{41}\) This practice centralized too much power and resources at the center. It also favored states with large population densities and land mass, irrespective of the derivable revenues in those states to the
detriment of those with low population densities and a high revenue base. This has become a contentious issue between the north, that has a large land mass and population; and the south, where oil is found. Therefore, a review of the revenue formula that is more favorable to the generating units may be necessary.

The FGN is doing well in the collection of revenue through taxation. The income, corporate and sales tax rates stand at 25%, 30% and 5% respectively. The Chairman of the Federal Income Revenue Services (FIRS), Mrs. Ifueko Omoigui-Okaru, confirmed that revenue collection in the country presently is still very low, with 40% coming from the agro sector and 90% derivable from the federal agencies under the pay as you earn scheme. The FIRS is of the opinion that revenue generation can be substantially increased with improved monitoring mechanisms to plug the existing loop holes in the system, especially the tax-defaulters. Productive utilization of these revenues would create more jobs which can help address the socio-economic problems in the country.

Currently the country is able to harness only 20% of her agro produce from farms due to the poor state of roads and non-existent storage facilities to preserve crops. Consequently Nigeria resorts to the importation of food even though the country has the capacity to be self sufficient and even export food to other countries. Thus, the country incurs huge losses of income that could have been utilized for further development.

The poor investment climate and low industrial development are the main reasons for the high unemployment rate in the country, which currently stands at 19.7%. A large percentage of the unemployed are youths of ages 18 to 30 years, most of whom are university graduates desiring to earn a decent living, but have not had the
opportunity of having jobs. This is the main cause of youth restiveness and the attendant social problems in the country.\textsuperscript{44}

**Social Problems**

Nigeria is a country with about 250 ethnic groups that share different cultural values.\textsuperscript{45} The society is not homogenous; therefore, there is no common language for communication, apart from English, which is the official language. Northern Nigeria is inhabited by the Hausa-Fulani, who are predominantly Muslims, but Hausa is a second language as the various groups also use their indigenous languages.\textsuperscript{46} The same applies for the west and east of Nigeria, where the Yoruba and Ibo languages are largely spoken.\textsuperscript{47} Diversity of cultures should be a source of strength due to the different variety of skills, abilities, knowledge and large human capacity it brings with it. It can also be a source of tribal and social conflict if not well managed by the government.

The political elites in Nigeria, since independence, have not managed this social complexity well.\textsuperscript{48} They have manipulated the masses using religious and tribal sentiments to win elections, which has caused nepotism and a big divide in the social fabric of the nation. The political class has been insensitive and has pursued quick personal gains to the detriment of the larger society.\textsuperscript{49} This conduct undermines public trust, confidence and the authority of the government, which are essential for nation building.\textsuperscript{50}

Nigeria has lately witnessed some crises with religious undertones in some parts of the Northeast and North-Central Regions. Before the restoration of democracy in 1999, the country was largely ruled by people from the North in both the civil and military regimes. However, recent elections have witnessed changes to this trend with the election of two presidents from Southern Nigeria, Olusegun Obasanjo and Goodluck
Jonathan, in 1999 and 2011 respectively.\textsuperscript{51} Northern political dominance in the country seems to be waning and this has led to some religious clashes in areas where the Northern and Southern regions meet like Jos, in Plateau State.\textsuperscript{52} Recent bombings and attacks by the Boko Haram radical Islamic group in Maiduguri, Jos and Abuja seem to suggest disenfranchisement with the new political transformation in the country.\textsuperscript{53} The emergence of Boko Haram may signify the maturation of long-festering extremist impulses that run deep in some states in Northern Nigeria. This may have arisen from decades of failed government projects and elite delinquency, resulting in social chaos.

Boko Haram alleges that western values are the corrupting influence in the governance of Nigeria. The group claims to fight injustice and poverty, which appeals to a segment of the uneducated Muslim population of the North. The sect is also disillusioned with the way Sharia law, which was partially introduced in 1999 by some Northern governors, has been implemented, citing double standards. The law seemed not to be applicable to the elites and was only meant for the poor masses who constitute about 70\% of the population and live on less than $1.25\text{ a day}$.\textsuperscript{54} They allege that corruption is pervasive in Nigeria and has turned public service into a criminal enterprise. They also claim that political office-holders are corrupt and have denied the masses basic health and education services.\textsuperscript{55} Unfortunately, in pursuit of their grievances, Boko Haram has used extremist religious platforms which have terrorist linkages.

Tribalism is another social malaise in Nigeria which has hampered economic growth.\textsuperscript{56} Tribalism destroys meritocracy, which is a system which rewards people for their achievement. On the contrary, tribalism sometimes promotes mediocrity, which
breeds the discontent that leads to ethno-religious tensions and hinders the spirit of nationalism. Meritocracy fosters competitiveness in society and drives people to work hard, which in turn create innovations that rule the world.\textsuperscript{57} The Nigerian political class has not been able to address the problem of tribalism since the end of the Nigerian Civil War in 1970, maybe due to the lack of political will. Historically, most Nigerian politicians use tribal sentiments in politicking for electoral appointments and find it difficult to depart from the practice since the system created them.\textsuperscript{58}

The division of Nigeria into an increasing number of dependent states may have helped to contain centrifugal tendencies but at a huge cost; as the states use ethno-religious sentiments, which often take violent forms, to compete for financial rewards from the FGN. The legal status of settlers and indigenous Nigerians, which was inserted in the 1979 and 1999 Constitutions, has been contentious.\textsuperscript{59} The term “Indigene” refers to a person whose parents or grandparents were a member of a community indigenous to that state. This description of indigenous status is linked to blood ties as opposed to residency, and is central to the implementation of the federal character doctrine.\textsuperscript{60}

The indigene status dichotomy has unwittingly created opportunities for discrimination among Nigerians. The issue was exploited during the Second Republic (1979 to 1983) and throughout the fifteen years of military rule. In most states non indigenes are discriminated against in appointments, the allocation of scholarships, the award of contracts, access to education and health services. This has been the main cause of ethno-religious tensions in cosmopolitan states like Kano, Kaduna, and Plateau.
The education sector in Nigeria over the years has shown some increase in the number of people who can write and speak English and have attained high school standards. The literacy rate in Nigeria in 2002 was 57.10%\textsuperscript{61} and has increased to about 68\%\textsuperscript{62} by 2010 estimates. The country has about 90 universities, comprising 30 federal, 28 state and 32 private universities.\textsuperscript{63} These institutions produce thousands of graduates yearly which are supposed to be pivotal to the capacity building efforts of any nation. The FGN has done a good job in building these educational institutions but the quality of education provided by the universities has been on the decline due to poor funding. Furthermore, only a small percentage of these graduates gain employment after their courses, thereby creating frustration and restiveness among these youths and limiting capacity building opportunities as well as decreasing government legitimacy.

There exists an uneven wealth distribution in Nigeria, with a huge gap between the very few extra wealthy and the poor masses. The wealth resides in the hands of a few who mostly are not engaged in productive ventures. These few have access to government contracts which are consumptive and not productive in nature. This strategy cannot eliminate poverty or create economic growth. The views expressed by some Nigerians based in the U.S. indicate that the harsh economic environment has shrunk the middle class over the years. It is the middle class which plays an important role in the democratization process and also provides employment avenues for the masses.\textsuperscript{64}

The FGN has attempted numerous economic reforms; however, most of the reforms have had some adverse social impact. Economic reforms in developing countries are designed to stimulate the economy and especially help the poor;
unfortunately, these reforms have not met the expectations of the populace. Economic reforms like the Austerity Measures Program, Structural Adjustment Program (SAP), and the National Economic Empowerment and Development Strategy (NEEDS), have made marginal achievements, but have not brought the desired succor to the masses.

For instance, the reforms are supposed to improve basic infrastructure such as electricity generation, portable water and roads but, unfortunately, these public utilities are still inefficient. If the power goes off at night in cities like Lagos, Abuja or Onitsha, the rich turn on their private generators and enjoy the comfort of their exotic homes. In contrast, the masses that are poor and are unable to afford generators remain in their small congested apartments and battle with the heat and mosquitoes through the night. While relatively few rich people live in affluence, (most of which were acquired through corrupt means), the poor masses live in squalor and abject poverty.

The judiciary in Nigeria is also having some challenges in meeting the expectations of the populace. The judiciary in most developed societies is the last hope of the populace for justice and adjudication. Over the years, the judiciary in Nigeria has lived up to its billing in interpreting and adjudicating the law in accordance with the provisions of the constitution. They have also resolved numerous political disputes, but are also facing challenges with corruption and manipulation by the rich who fragrantly break laws with impunity. This creates a situation where the rich elites are believed to be untouchable and above the law; this affects the psyche and value system of the people. A society lacking in good values and an equitable justice system presents an environment for anarchy and socio-economic problems. The uncertainty and volatility which exists in Nigeria creates a fear of the future in the minds of people.
which pushes them to indulge in the illicit acquisition of funds and corrupt practices in almost all sectors.

Over the years, there has been a problem with law enforcement caused by poorly trained and ineffective police forces and slow judicial processes. For instance, in the U.S., there is a rule of thumb to have about three to four police officers to 1,000 people\textsuperscript{71} and recent estimates indicate that there are about 2.3 million people (2.4\%) of her population in prison.\textsuperscript{72} This reflects effective policing which deters crime. The United Nations prescribed a minimum ratio of 1:400 police officers to citizens, but this may be hard to achieve in Nigeria because of the cost factor.

Presently, the Nigerian Police Force (NPF) has about 350,000 personnel for a country with a population of about 150 million.\textsuperscript{73} The NPF crime fighting equipment is obsolete, which compels them to employ antiquated policing methods. Hence, the country is largely under-policed, since there is hardly the presence and availability of modern crime fighting resources.\textsuperscript{74} Relatively speaking, the crime rate in Nigeria is not high but the inability of the police to detect and neutralize criminal networks is the problem. These criminal networks sometimes hijack any state of unrest in the country to further their criminal activities, which exacerbates the unrest and ultimately leads to low intensity conflicts. Low intensity conflicts in the country are usually beyond the capacity of the police to handle; thereby necessitating the use of the military to quell the crises. The judiciary is also very slow at dispensing justice;\textsuperscript{75} this usually creates a sense of desperation, or hopelessness, amongst the people who are aggrieved. Justice delayed may sometimes be viewed as justice denied. The weaknesses of these institutions are largely responsible for the abuse of law and order, and socio-economic problems
currently observed in the country. The socio-economic problems in Nigeria can have adverse consequences on her international obligations.

The Consequences of Socio-Economic Problems in Nigeria

Nigeria’s contributions towards decolonization and eradication of apartheid from the continent of Africa and the maintenance of regional stability in Africa have been phenomenal. The country successfully chaired the United Nations Anti-Apartheid Committee from 1970 until that committee was dissolved in 1994. During this period Nigeria played a pivotal role in the decolonization of Angola, Zimbabwe, Namibia and South Africa. Nigeria was in the forefront of international efforts towards bringing peace in Liberia and Sierra Leone under the auspices of the Economic Monitoring Group of West Africa (ECOMOG) which is a regional body in West Africa. The ECOMOG operation has cost Nigeria over $13 billion since the beginning of the operation in 1990. Also, the country is presently the highest troop contributor in Sudan and has played an important role in the maintenance of peace and stability in the sub-region.

The Nigerian Government’s worthy track record of services and its potentialities to contribute meaningfully to global governance, and the purposes of the United Nations in the 21st Century cannot be over emphasized. Nigeria has numerous resources, especially oil and gas. In addition, Nigeria’s influence in Africa is very strategic; however, with the increasing socio-economic problems in the country the government may have to reduce her participation in order to concentrate more on diversifying her economy. It is hoped that Nigeria can overcome the socio-economic problems facing it; otherwise in a worst case scenario, the West African region and Africa, may witness the absence of a stabilizing nation. Nigeria must not allow itself to lose her potential and the
leadership role she plays in Africa. Today’s realities are different from yesterdays. This is the time to deploy all of Nigeria’s energies, resources and clout to address the socio-economic problems that prevent the country from achieving her national objective.  

**The Way Forward**

In reality, the fragile political situation in Nigeria constitutes a complex mixture of causes and effects, a syndrome that has proven largely impervious to quick template-driven solutions. There are no fixed solutions for addressing the issue of socio-economic problems in a country as every country has its own peculiarities, and settings keep changing in a complex, volatile and ambiguous environment. This research paper has, however, identified a three dimensional relationship between the political environment, the economic situation and the social problems in Nigeria. Turbulence in any of these three sectors usually has a direct impact on the others. For instance, political instability usually leads to economic problems, which then triggers social strife. Thus, the remedies for the prevailing socio-economic problems in Nigeria can be found in the political, economic and social dimensions.

A comprehensive view of the Soviet and Chinese political experience reveals how internal transformations of old political processes have enhanced good governance. For instance, the Soviet perestroika under President Gorbachev and the Chinese economic reforms starting in the late 1970s were driven by endogenous force, a realization by the leadership that the old, counterproductive policy model had run their economies into the ground and that a change of course had to be undertaken. Drawing from experiences of India, another former colony of Great Britain and the world’s biggest democracy with a multi-religious, multi-ethnic and multi-cultural setting,
Professor Jagdish N. Bhagwati, an Indian and a renowned scholar of Columbia University, stated:

democracy in India has been a source of immense gratification, not just to elites, but also to the common man. It is easy to slip into the fallacy that the masses yearn for economic gains, not for political rights. I have long argued that economic betterment, in a country of an immense backlog of poverty, inevitably takes time. On the other hand, democracy gives the poor and the underprivileged instant affirmation of what Americans call their “personhood”, a sense of equality with the castes and classes above you in a strongly hierarchical society. The elections are preceded by the elite politicians courting your vote and not ordering you around; and the election day is when you have the sense that you can turn the bums out.\textsuperscript{83}

This implies that in a democracy, both the elites and the poor masses are considered to be equal and can exercise their franchise to choose who governs them.

A critical appraisal of the political environment in the country reveals that Nigerians do not have a problem with democracy, or the presidential system of government, but are tired of corrupt leadership and poor democratic values. The 2011 election was the third election since 1999, and was adjudged the best in the country’s history.\textsuperscript{84} It recorded high voter turnout compared to the ugly experiences of the past. For the first time in the country’s history, a Southerner from the minority group, in the person of Dr. Goodluck Jonathan, was elected as president of Nigeria. The smooth conduct of the electoral process, which was relatively better than the others, portrays a positive development in the democratic process in the country. It is also believed that good political leadership would create a sense of unity and nationalism in Nigeria.

Good political leadership is highly desired for the stability required to attract the foreign investment that would stimulate the Nigerian economy. The government must sustain this positive development and resist returning to its oligarchic political culture where the winner takes all. The ruling party must work towards having an all inclusive
government, with active participation from all regions, to address the socio-economic problems in the country and ensuring good governance. To earn political legitimacy there must be good leadership, transparency and integrity at all levels. The administration must also eschew all forms of corruption as it can quickly ruin the reputation of the government and may create avenues for strife. To maintain a stable and secure environment, the administration must provide an equitable justice system and most of all provide essential services to the populace. The words of General Colin Powell succinctly captures the essence of this point that “endeavors succeed or fail because of the people involved and only by attracting the best people will you accomplish great deeds.”

The demands of the various political groups must be addressed within a holistic framework. The framework must be inclusive to incorporate all the key political interests, social values and economic interests of the various regional groups. The FGN must review the appropriation bill to address these problems. The FGN should have a balanced appropriation policy that must be well nested in the national strategy for economic development and nation building. The diversification of the Nigerian economy should be of the utmost importance to avoid over-dependence on oil, which is a finite commodity. Investments should be directed to revamping and expanding the moribund industrial base, especially in the Northern parts of the country, to address unemployment. The pay-off of this strategy will not only address the problem of unemployed youth bulge but will substantially increase productivity, reduce importation and reduce poverty in the country.
Public trust can fade much more quickly than it is accumulated. It can wane for a variety of reasons, whether from oversight or mistakes that have strategic consequences, or from failing to build and maintain a culture of competence, accountability, and integrity, as required of strategic leadership.\textsuperscript{86} Strong political will is desired from leaders to give Nigeria good leadership and for the FGN to earn legitimacy. The fight against corruption is one that may have a political backlash, since a large majority of the elite groups are involved, but the consequences of not fighting the menace may be more heinous in the long run.

Nigeria is a country blessed with abundant human and natural resources that can stimulate the country’s economy, but is yet to attain her full potential. A vibrant and productive population is one of the demographic factors that set nations on the path of growth. Countries with a large and growing wage earning (youth) population and small ageing (retired) population, like the U.S. and Brazil, may enjoy significant advantages in international economic competition.\textsuperscript{87} A growing population in a stable environment with balanced wealth distribution ensures potential sustainability for economic growth.\textsuperscript{88} In developing countries like Nigeria, where the combination of demographics and economy permits population growth; it is difficult for the government to meet rising expectations due to a weak industrial base. To address unemployment and kick start the economy, the government could explore giving subsidies and incentives to investors as a means of attracting investments and creating jobs.

The FGN also has to invest more in education. A well informed and educated mind is the best security against contagion of folly and vice.\textsuperscript{89} The importance of education to society cannot be over-emphasized as it is important for the formation of
character, creativity and intellect. Conversely, a growing uneducated and un- or underemployed population will lead to rising social unrest rather than to economic growth. To address the issue of education in Nigeria, especially in the North, the FGN must build more schools and make education available to the poor masses that are widely dispersed. The performance of the FGN in the education sector and the global economy will be important in either dampening down or inflaming ethnically or religious based violent movements in Nigeria.\textsuperscript{90}

In order to harness the enormous natural resources with which the country is endowed, such as iron ore, coal, tin, limestone, cotton among others, the FGN has to reverse the trend of large imports of most finished products into the country and focus on how to boost local production.\textsuperscript{91} A productive industrial sector would create employment for the youths, which will reduce poverty and the multiple social problems in the country. In addition, if the industries are sited in rural areas; it can also reduce the movement of people from rural to urban areas in search of jobs and the ethno-religious tensions associated with it.

The migration of the Northerners to the South is likely to continue because of the challenges posed by global warming and dwindling water resources. Lake Chad, the Niger River and the Benue River are fast drying up, so more northerners in future will migrate southwards; especially cattle herdsmen in search of water for pasturing. This may further escalate the tense socio-economic problems as witnessed in Jos, North-Central region. To reverse this trend, the FGN must be creative by investing in modern irrigation and animal husbandry methods, and also seeking alternative sources of water to address the water problem which is essential for life.
In order to stimulate the economy, the FGN must also provide basic infrastructure, such as good roads, water, rail transportation and steady power supply, which would facilitate the movement of goods, services and people. In addition, building of these infrastructures also creates jobs. Good infrastructure induces economic activity and opens new markets which are necessary inputs to enhance economic productivity. The development of modern infrastructure and functional public service systems are the keys to Nigeria’s economic development.

What distinguishes economies today are ideas and energy. A country can prosper if it is a source of ideas or energy for the world.92 Luckily, Nigeria has numerous energy sources but lacks the required research and development (R&D) base needed to balance a dangerously tilted equilibrium. Over the years, the budget allocation to the Ministry of Science and Technology, which is the organization responsible for R&D, has been inadequate and cannot stimulate any activity in that sector. In 2011, the FGN allocated a meager N27,587,283,407.00 billion ($172,420,521.00 million)93 to this sector for her capital and recurrent expenditure, which is insufficient for R&D. The FGN would need to increase the budget in R&D and education to about 15 to 18 percent of the annual budget for the next ten years. This will stimulate the sectors responsible for creating the educational foundation for scientific innovation. Nigeria must also begin to explore alternative sources of electricity such as solar, wind, geothermal, and ocean energy to move to the next level of development. This may address the economic and social problems in Nigeria.

For the FGN to meet the economic projection of Vision 2020 framework of becoming one of the world’s 20 leading economies by the end of this decade, the
government may need to restructure the country’s monetary and fiscal policies. Monetary policies are usually concerned with the conditions for the use of money supply and/ or interest rates to influence the level of economic activity. It is anchored on the use of all or some policies on open market operations, liquidity rations, rediscount policy, minimum reserve requirements and sector credit guidelines. Fiscal policies involve the use of taxes and changes in government expenditure to influence the level of economic activity.  

The current monetary and fiscal policies of the country were designed to stimulate economic growth but have not been too successful due to macro-economic variables such as capacity under- utilization and lack of investment security. The FGN spends about $8 Billion yearly to subsidize fuel, which sells for about $0.40 per liter. The government has proposed to remove subsidies and deregulate the sector to cut wastage. It is envisaged that the money spent on fuel subsidies can be channeled to infrastructure development aimed at creating jobs. The removal of subsidies will directly imply an increase in cost of fuel which could cause inflation in a fragile economy with a high unemployed population. This increase is likely to cause the closure of a few middle class productive companies that may not be able to afford the new price of fuel. To avoid adverse effects on the middle class and the populace, the FGN may consider a phased removal of subsidies to reduce the effect on the populace. The FGN will have to adopt a balanced approach in her attempt to stimulate the economy. An unproductive economy can be stimulated by creating incentives for investment and a phased deregulation of the oil sector. Also, the FGN may consider using the subsidy funds to revamp the moribund industrial sector which will create the much desired jobs.
The aftermath of a social conflict, such as war or anarchy, can lead to economic decline; also, waning economic fortunes can lead to closure of companies and high unemployment rates which can lead to social strife. Hence, most countries with fragile political structures and a weak economy will usually have multi-dimensional socio-economic problems. To avert this ugly trend, the government can embark on construction of infrastructure such as roads and bridges linking agro-centers, dams for irrigation and railway, among others, which stimulates the economy. Construction spurs a plethora of other activities across the economic and social sector.\textsuperscript{96} These activities, if well coordinated with the state governments and foreign donor agencies, can substantially provide huge benefits at the local, regional and national levels. Infrastructure spurs the opportunity for education and technical training of the population as well. A working population provides government stability, and enables it to generate income to sustain and expand the services it renders to the populace.\textsuperscript{97} A stable environment will attract private and international investments which creates jobs and employment that can address the remote causes of socio-economic problems.

The FGN needs to make some policy reforms to address the status of settlers and indigenes. The strictures embedded in the policy of indigeneity act as a constraint on both labor mobility and social interactions between communities outside their home states or local government.\textsuperscript{98} Settlers and indigenes alike should have equal rights and privileges in the states as long as they pay taxes and contribute meaningfully to the development of the state and abide by state laws. To implement this policy, a national constitutional conference could be organized by the executive, legislative and judiciary arms of government to ensure that all the stake holders including traditional rulers and
civil societies are involved in the process. This will address the problems of ethnic exclusiveness and the tensions it creates.

To address the problem of religious bigotry and radicalism, religious leaders must rise to the occasion and dissociate themselves from radical groups who use religion to seek cheap political ends. A program for de-radicalization, similar to the Saudi Arabia model, should be adopted by the FGN. This may address the issue in the mid to long term. Also, public office holders in all tiers of government should imbibe good institutional stewardship of financial resources, acquisition, and enterprise management to earn public trust. Politicians, and Nigerians as a whole, must jettison primordial tribal and religious sentiments, and embrace good virtues that are built on integrity, trust, collaboration and the inclusiveness of all. This will create the desired atmosphere to reduce religious conflicts in Nigeria.

Capacity building is the process of creating an environment that fosters institutional development, community participation, human resource development, and strengthening managerial systems. It includes efforts to improve governance capacity, political moderation, and good governance-ethos as well as structure. To enhance capacity building and education in Nigeria, the government must improve the infrastructure in the universities to enhance the educational standard and also design a means of creating employment for graduates. In addition, the government has to make education accessible to those in rural areas and the hinterland where schools do not exist. These groups of people are academically disadvantaged. This makes them open to manipulation by unscrupulous politicians and anti-government organizations resulting
in violent conflicts which may not be justifiable, as recently demonstrated by the activities of the Boko Haram group.

Institutional reforms are another aspect the FGN must try to embark on. Most public institutions worldwide are structured in a bureaucratic pattern to minimize flaws in policy promulgation and also be able to withstand internal or external turbulence. A strong institutional framework is the teeth and strength of any government as they are responsible for implementing government policies. In countries where law enforcement institutions are strong, like in the U.S., Britain and France, they act as a check on the corrupt tendencies of elected officials and also maintain standards and regulations in the different administrations. Recently the Governor of Illinois, Mr. Rod Blagojevich, was sentenced to fourteen years imprisonment for corrupt practices; he is the fourth governor from that state indicted on corruption charges. The anti-graft institutions in Nigeria are still relative new and weak, thus are vulnerable to manipulation by elected officials. There exists a capacity gap in these institutions. They are also not adequately equipped to perform their roles. To correct this anomaly, anti-graft institutions, such as the Economic Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC), should be reformed to meet the expectations of the populace and their operations should be free of government interference.

The FGN must also make reforms in the judiciary system to meet public expectations. The FGN must sanction all corrupt judicial officers and empower law enforcement agents sufficiently to discharge their duties. The reforms must explore ways to quickly conclude law cases in court. The populace must feel secure and trust the judiciary to discharge its duties sincerely. In addition, the immunity from prosecution
enjoyed by elected political officials should be expunged, as this will curtail their abuse of power. Lack of stiff sanctions for those that break the law encourage corruption which weakens the legitimacy of government and ultimately breeds socio-economic problems.

Conclusion

This paper has identified several socio-economic problems in Nigeria and observed that the catalysts of dissension and frequent triggers of violence are provided by weak government institutions, political contention and misconduct, polarization among ethnic and religious groups, and inequality and conflicts over resources. Most conflicts in Nigeria are localized. With the exception of the Nigerian Civil War, they do not converge on national fault lines of politics or religion. These socio-economic problems present a mixture of volatile, ambiguous and complex issues that have no simple template solutions. These problems have hampered growth and made the government dysfunctional and unable to attain her full potential. The efforts of the Jonathan Administration have been applauded for conducting the best election in the country’s history and more is still expected from the administration in the aspect of meeting the needs of Nigerians. However, if the government builds strong institutions and embraces ideological politics with active participation of civic actors, they could provide some avenues for managing stability.

Institutional reforms in the education, manufacturing, monetary, fiscal, police and judiciary sectors are necessary for the government to succeed. The FGN must also address the issue of poor infrastructure which would stimulate economic development in order to address the socio-economic problems in the country. Institutional checks give credibility to governance. General James Cartwright of the U.S. Marine Corps succinctly
captured the essence of these thoughts with the statement; “it is not about you anymore. It is about the institution.”

Thus, the system and country must always be first priority in nation building. This doctrine would increase the public trust and legitimacy of the democratic government, and curb socio-economic problems in Nigeria.

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