

**THE IMPACT OF POLITICAL REFORM PROGRAMME ON  
THE DEVELOPMENT OF THE NIGERIAN ECONOMY  
(1999-2013)**

**Gisaor Vincent Iorja\***

**Umondia Edobor Charles\***

**Joel Emmanuel Ibrahim\***

**Abstract**

*Worried by the incessant security challenges and poor welfare indicators in Nigeria, the paper investigated the impact of the recent political reform programme on Nigeria's economic development from 1999 to date. Using only descriptive statistical tools, it was discovered that despite the government initiating the INEC Electoral Draft Bill of 1999; the National Political Reform Conference (NPRC); the Justice Uwais Committee Report on Electoral Reforms; the Amendment of the 1999 Constitution of the Federal Republic of Nigeria; and the Seven Year Single Tenure for States and National Executives proposed by President Goodluck Jonathan in 2011, the Nigerian economy has relatively grown in terms of GDP growth rate and GDP per capita but fail to development as evident from high inflation, high unemployment, high poverty and inequality. The paper recommended for reduction in the role of money in politics and adoption of the "basic needs approach" of providing basic needs such as food, water, health care, basic education, transportation, shelter etc. that can impact directly on the lives of the poor people.*

**Keywords:** Impact, Political Reform, Economic Development, Nigeria

\* Department of Economics, Federal University Wukari, Taraba State, Nigeria

### 1.1 Background to the Study

The numerous coups and counter coups d'état in Nigeria brought permanent military incursions into the Nigerian politics (Okongwu, 1986). However, May 29, 1999 marked a watershed in Nigeria's political annals. It was the dawn of the Fourth Republic, a return to democratic rule after several years of military misrule which was marked by much suffering, infrastructural decay and institutionalized corruption. The hope of a common man for a just and an egalitarian society became rekindled with the institution of a democratic government (Shamusudeen, 2001). Nigerians greeted the return to democratic rule with widespread jubilation and optimism as they looked forward to a new era of stability, peace and prosperity. However, fourteen (14) years after, Nigerians are still anxious to see and enjoy "democracy dividends"- social welfare, justice, equity and equal access to resources and power.

The government since 1999 embarked upon a Reform Agenda to enable her fulfill the economic cum political yearnings and aspirations of the people. We can categorize the *Reform Agenda* into two parts: the economic and the political reform. While the economic reform agenda was launched on May 31, 2004 as the National Economic Empowerment and Development Strategy (NEEDS), in 2007 as the Seven Point Agenda and now the Transformation Agenda, the political reform agenda has the following known elements: The INEC Electoral Draft Bill of 1999; the National Political Reform Conference (NPRC); the Justice Uwais Committee Report on Electoral Reforms; the Amendment of the 1999 Constitution of the Federal Republic of Nigeria; and the Seven Year Single Tenure for States and National Executives proposed by President Goodluck Jonathan in 2011.

This paper investigates the likely effects of the Reform Agenda on the Nigeria's economic and political development process. The single objective of this study is to assess the impact of the political reform programme of the Federal Republic of Nigeria on Nigeria's economic development from 1999 to 2013.

The scope of this work in terms of geographical coverage is the entire country. The period to be covered by the data for analysis is thirteen (14) years from 1999-2012. The choice of this period is carefully done as it essentially covers the period of return to civil rule in Nigeria in 1999.

## 2.1 Major Political Reforms in Nigeria between 1999 and 2013

- i. **INEC Electoral Draft Bill of 1999.** In a bid to reform the electoral process, the electoral body, INEC proposed a bill to the National Assembly in 1999. The draft bill prohibits independent candidacy in elections, the sum of 10,000 Naira was a limit for party donation by individuals, political parties were to have branches in at least two-thirds of the states of the federation including the federal capital territory, and that the decision of the commission as to which party to register is final amongst other recommendations.
- ii. **The National Political Reform Conference.** The National Political Reform Conference summarized their report into the following key categories to guide implementation: 1. Constitutional Amendments (Section I) 2. National Acts (Section II) 3. State Laws (III) 4. Policy Matters (Section IV)
- iii. **Justice Uwais Electoral Reform Committee.** After President Umaru Musa Yar Adua honourably accepted to the international community that, the elections which brought him into the office was characterized by violence and massive rigging, he inaugurated the Justice Uwais Electoral Reform Committee to comprehensively review the Nigerian Electoral Law. The committee submitted their report to the federal government in 2008. The critical areas of recommendations by this committee was the provision for independent candidate, appointment of INEC chairman by the Judicial Council in conjunction with the Council of State, determination of all election petitions before inauguration of elected officials, option A4 as the voting system, funding of INEC and political parties amongst other recommendations.
- iv **The Amendment of the 1999 Constitution.** The 6<sup>th</sup> Senate of the Federal Republic of Nigeria amended the 1999 Constitution of the Federal Republic of Nigeria including the Electoral Act. The Senate rejected electronic voting and independent candidature. They however, provided a stipulated time frame for the hearing and determination of election petition, the amended Constitution did not guarantee financial autonomy for the State Houses of Assembly and Legislative Houses at the Local Government.

- v. **The Seven Years Single Tenure.** This proposed amendment was vehemently opposed by the Civil Society Groups in Nigeria and the Nigerian Labour Congress hence the draft bill has not yet been sent to the National Assembly for consideration.

What remains a truism about all these political reforms is the non-implementation of any of them. Nigeria is a country where policies are elegantly formulated on pieces of papers without any little effort to implement same, thereby leading to severe development challenges. Thus the non-implementation of these reform programmes has resulted to several democratic challenges in the country today with attendant consequences on the development of the economy.

We shall examine some of the major challenges of democracy in Nigeria today as follows:

## 2.2 Some of the Major Democratic Challenges in Nigeria

### 1. Leadership Challenges

Nigeria's fundamental approach to leadership is troubling. In Nigeria, the primary goal of assuming leadership position is self-enrichment (Anger, 2006). Whereas Nigerian leaders have power to educate, inspire, and provide the people with the resources to advocate for the causes they believe in, but like parents, they have failed in their responsibilities to lead by good examples. On the problems of Nigeria, Chinua Achebe concluded that Nigeria's problem is bad leadership and evidence on the ground has consistently shown that he is correct. Some people however, seem to disagree that leadership is not Nigeria's problem. Certainly it is leaders and not the poor rural dwellers that are responsible for Nigeria's underdevelopment. In every country, it is the responsibility of the leadership to protect the political, social, and economic interests of the citizens.

Leading a country involves making policies and finding solutions to problems, ensuring stability of the polity, and guiding the society to prosperity (Stiglitz, 2000). But a large number of the political leaders of Nigeria lack the vision, the passion, and the character to effectively govern the states with the crumbling economy. They do not have a clear understanding of their responsibilities, as some of them are insensitive to the people's sufferings. Nigerians are tired of complaining to those who are leading without listening to them. As Bell and Smith (2002) opined "leaders can point to many reasons why they aren't good listeners, but none of these reasons excuses them from the obligation... to listen". Leaders who listen are, however, known to respond well to criticism and crisis, build more loyalty, and increase the moral of the followers. Listening is a way of showing that a leader cares about others.

Due to the fact that power belongs to the people, no political leader in the advanced democracies would function effectively without the support of the people. Thus they constantly have their ears on the ground for information (signs of shift in public opinion) that often guides them in policy formulations and implementations (Kindleberger, 1965). The world's leading democracies are what they are today because their leaders are innovative and always searching for solutions to social, political and economic problems. But that is not the case with Nigeria; evidence of bad leadership is all over the landscape as the leaders have not gone beyond a promise for change. They are only good at drumming the country's problems without finding their solutions. The institutions and infrastructure that are the bedrock of the economy are allowed to rot away leading to weak economy, rising unemployment and inflation, poverty and crime.

The major challenge of our contemporary democratic governance in Nigeria lies in the process for electing public officers into leadership positions. The President and Vice President at the Federal level; the Governor and Deputy Governor at the State level; and the Chairman and Councilors at the Local Government level; and all the members of the legislative House - National Assembly, Senate and House of Representatives at the Federal level, State Houses of Assembly, and Legislative Councils of the Local Governments - are all by elections. However, the electoral process and political party system are corruption ridden and not sufficiently participatory (Azinge, 2004).

The elections are not only flawed but warped, the political parties are dominated by godfathers, money bags and ex-military leaders, and their party primaries (if ever conducted) are mostly selective, non-participatory and undemocratic, thus resulting in the corruption of the leadership, loyalty to god-fathers and patrons, and indifference to the electorates and citizens in their style of governance. The issues of legitimacy and representative nature of the leadership in the country is reflected in their lack of accountability to the constitution, the political party and the electorates. Thus the root of corruption can be traced to the problem of leadership, thereby necessitating the call for reform of the electoral and party systems.

## 2. Corruption

The greater democratic challenge facing Nigeria today is 'corruption'. Corruption has, among others been defined as an act of "requesting, offering, giving or accepting directly or indirectly a bribe or any other undue advantage or the prospect thereof, which distorts the proper



performance of any duty or behavior required of the recipient of the bribe, the undue advantage of the prospect thereof” (Azinge, 2004). In line with the above, Adeniji (2003) argued that in Nigeria, an understanding of what constitutes corruption transcends officialdom and discussing corruption broadly as a perversion or a change from good to bad will not be inappropriate. Also, citizens thrill at the non-enforcement of the rules that define the institution of social, political and economic exchange, as corruption has become the dominant social norm and reflections on the first four decades of political independence, no doubt indicate that citizens themselves are instrumental to the national decay, however, they are receptive to corrupt friendly regimes, thus celebrating the potent force of mal-governance and underdevelopment (Adeniji, 2003).

Unfortunately, after years of independence, Nigerians still harbor the mentality that public money belongs to no one and that any person who has access to it should convert it into his or her personal use. Corruption permeates every sector of the Nigerian society, “from millions of scam e-mail messages sent each year by people claiming to be Nigerian officials seeking help with transferring large sum of money out of the country, to the police officers who routinely set up roadblocks, sometimes every few hundred yards, to extract bribes of 20 naira, about 15 cents, from drivers”. However, the most disturbing and damaging form of corruption is made manifest in the succession of kleptocratic governments, which has produced wealthy generals and political leaders.

Similarly, electoral corruption is prevalent. This is a situation that includes the purchase of votes with money, promises of office or special favors, coercion, intimidation, and interference with freedom of election, sale of votes, killing and maiming of people in the name of election, and a situation where losers’ end up as the winners in elections, and votes turn up in areas where votes were not cast.

### 3. Human Rights

Prior to the return to civilian rule in May 1999, the human rights situation in Nigeria was very poor. The esteemed Noble laureate, Prof. Wole Soyinka once remarked that “I smell the sperm of tyranny before the rape of the nation:, (CDHR, 2001) in a bid to describe the excruciating human rights situation in Nigeria during the dark days of military rule. At present, the situation has improved but the drawbacks and ineptitude of the long military interregnum still affects the human rights situation. This is because democracy has only succeeded in revealing the rot of human rights situation.

At present, fundamental rights of citizens still come under attack despite the advent of democracy. For instance the protection and enjoyment of the right to life and respect for human dignity is hampered by the non-availability of the necessary socio-economic infrastructures that can guarantee the realization and fulfillment of such rights (Ajegi and Ogiji, 2002). According to the CDH report on Human Rights , “the traditional means by which the Nigerian rights of life and respect for human dignity were abused are; death penalty, extra-judicial killings including assassinations; arbitrary arrests and detention; disappearance; avoidable disaster and the poor administration of our prison system.”

Apart from the above, a new dimension has emerged and this has to do with the individuals and groups who were dissatisfied with ineptitude of the state functionaries and the brazen killings and maiming of Nigerians by unconventional security organizations who hijacked the duty of maintaining laws and order from the Nigerian police and assumed the business of protecting lives properties in various parts of Nigeria.”

Extra-judicial killings have also increased in the land against one of the twin pillars of natural justice, which requires that a person must be heard before any punitive measure can be taken against him. The Nigerian police and the numerous ethnic groups in Nigeria took unenviable lead in the killings and brutalities that took place across Nigeria and the truth in most cases is that the rights of Nigerians (many of them mere suspects) were violated. Police and military task force brutality have also increased and the rights of innocent Nigerians are trampled upon whether in their homes, highways, offices or public places. Although the military has gone back to the barracks for well over ten years, the human right situation has not really improved. It still presents the recurrent anomalies of extra-judicial killings, arbitrary arrest and detention without trial, torture and degrading treatment, which are perpetually perpetrated on a daily basis.

#### 4. Civil Strife

Nigeria is the most populous country in Africa with a diverse cultural heritage (Anyanwu, *et al* 1997). The country has a population of about 140 million with not less than 250 ethnic groups (National Bureau of Statistics, 2008). After several years of military dictatorship, Nigeria found herself again in the mainstream of civil governance. While this development was seen by some people as an avenue to explore dividends and goodies of democracy, others saw it as an opportunity to express grievance. This had re-affirmed the poser that over past several decades, Nigerians have

sought to build a stable multiethnic nation. However, nation building had been complicated by Nigeria's tremendous diversities, thus, making the management of diversities to be more central than ever as a problem in Nigeria's political process. The interactions within the state have led to the formation of innumerable structures of sub-nationalism and recurrent skirmishes which have greatly increase since the return to civil rule in 1999.

Since the reemergence of democracy in May 1999, not less than one hundred political, ethnically and religiously motivated conflicts have occurred in Nigeria. The democratic opening presented by Nigeria's successful transition to civil rule in May 1999 unleashed a host of hitherto repressed or dormant political forces. Unfortunately, it has become increasingly difficult to differentiate between genuine demands by these forces on the state and outright criminality and mayhem. Post-transition Nigeria is experiencing the rise conflicts borne out of various agitations by a plethora of movements purportedly representing, and seeking to protect, their ethnic, political or religious interest in a country which appears incapable of providing the basic welfare needs of its citizens.

Different reasons and circumstances lead to these conflicts and violence in Nigeria. Some of the reasons are 'the weak character of the Nigerian State and inability of its equally weak institutions to engender order and security' (Azinge, 2004); 'poverty, military intervention in politics, citizen's apathy to the State, elitist greed and manipulation' and 'Land, space and resource availability, Jurisdictional disputes between Monarchs, disregard for cultural symbols and pollution of cultural practices' (Adeniji, 2003).

## 5. Electoral Reforms

In the contemporary world of today, elections have become the most acceptable means of changing leadership in any given political system. At all times, it is the conduct of a free and fair electoral process that justifies a representative government to be referred to as democracy because the authority of government is derived solely from the consent of the governed. However, history has shown that it is usually difficult to hold elections that are completely free and fair. Even the United States (US) election that led to the victory of President Bush was alleged to be marred with irregularities in the State of Florida. In Africa, studies on elections in Kenya were reported to be seriously flawed and impacted by irregularities in vote tabulation and reporting of results. In Nigeria, the 1999 and especially the 2003 and 2007 general elections were reported to be marred by



irregularities by foreign and local observers. In fact, most of the results of the elections (the 2007 and 2011) have been reversed by the judiciary.

The integrity of the electoral system is a major issue facing democratic governance in Nigeria. It is known from past history that turbulent elections have been a source of political crisis in Nigeria and controversies surrounding elections have serious potential to undermine the legitimacy and stability of democracy. There could be the most serious consequences for democratic development if political leaders are unable to reach consensus on rules of political conduct, and if the Nigerian public therefore becomes alienated from the electoral process. Even President Umar Musa Yar' Adua acknowledged the fact that Nigeria's electoral system needs reform. It was on the basis of the above that Yar' Adua made the issue of electoral reforms an integral part of his seven point agenda although unfolding events has continued to question his sincerity in this regard.

### 3.1 Methodology

According to Agburu (2001), an empirical work requiring data analysis requires a methodology containing the sources of data and method of data analysis. This work relied only on secondary sources of data on some selected macroeconomic indicators obtained from the publications of the Central bank of Nigeria and the National Bureau of Statistics.

Descriptive statistics such as tables and percentages were used to analyze the data. The macroeconomic indicators were selected to buttress the fact that the Nigerian economy has achieved relative growth over the years but at the same time failed to develop as the entire welfare indicators exhibit negative trend.

### 4.1 Data Presentation and Analysis

**Table 4.1** Some Selected Economic Indicators for Nigeria

Year	Real GDP Growth rate	GDP per Capita (PPP)	Inflation rate	FDI inflow rate	Exchange Rate	Poverty Rate	Unemployment Rate
1999	0.49	1078.882	6.6	2.43	92.69	70	4.7
2000	3.8	1129.751	8.0	3.87	102.1		3.6
2001	4.4	1216.123	8.3	4.06	111.94		3.6
2002	4.6	1457.404	12.2	3.89	120.97		4.0

2003	4.6	1597.864	23.8	3.55	129.35		5.2
2004	9.6	1773.307	10.0	3.67	133.5	54	6.3
2005	6.6	1795.5	11.5	4.77	132.15		6.3
2006	6.5	1915.899	8.5	4.66	127.38	54	4.9
2007	5.6	20552.492	8.2	3.56	12746	57	4.9
2008	6.97	2276.475	5.4	3.44	177	57	17
2009	6.98	2436.552	11.6	3.44	148.9	70	20
2010	8.72	2436.552	13.4	2.33	150.88	70	28
2011	8.70	2446,534	13.5	1.55	155.5	70	40
2012	8.46	2667,555	13	2.33	160.5	70	32

Source: CBN, NBS Statistical Bulletin: Various Years.

Based on table 4.1, we can deduce that, the irregularities of SAP pushed the GDP growth rate to slump to 0.49 1999 during the take over of government by the civilian administration. From 1999 – 2011, there was a steady rise in the growth rate of GDP in Nigeria from 3.8% - 8.70%. This clearly confirms a case of growth in GDP. The GDP per capita (PPP) also confirms the position above by increasing from \$1,078.882 in 1999 to \$ 2,446.534 in 2011. According to (Kuznet, 1955) GDP growth rate and GDP per capita are clear indices of economic growth anywhere in the world hence the case of growth has been established in Nigeria during the period under review. The inflow of Foreign Direct Investment (FDI) into the country has fluctuated significantly as seen from table 4.1 above. Political instability, security challenges especially those posed by the militancy in the Niger Delta and bad economic policies have denied the country the needed FDI for development (Ayashagba and Abachi, 2002).

To contrast with the growth prospects exhibited by GDP growth rate and GDP per capital is the poverty rate, unemployment rate, inflation rate and the exchange rate. In 1999 during transitional period, poverty rate truncated from 70% to 54% in 2004 before a steady increase to 57% in 2009 and 70% in 2011. This is consistent with the ranking of Nigeria by the Human Development Index (HDI) who ranked Nigeria 159<sup>th</sup> in 2006 with a HDI value of 0.448 while Human Poverty Index (HPI) rated Nigeria 76<sup>th</sup> among 103 LDCs with an index of 40.6. In 2010, HDI ranked Nigeria 163 among underdeveloped nations and HPI rated Nigeria 85<sup>th</sup> among 103 LDCs.

Inflation rate rose from 6.6% in 1999 to 8% in 2000. It further rose from 8% in 2000 to 13.7% in 2011. According to (Jhingan, 1999 and Keynes, 1936), a two digit inflationary rate is not good for a developing economy- Nigeria inclusive. The official exchange rate has continued to be on the increase over the years. As at 2011, the official exchange rate became ₦ 160.5 per Dollar. The volume of produce and export of Nigeria is deficient such that the country cannot expect any stability in her official exchange rate.

To crop it all is the rate of unemployment in Nigeria. The rates vary significantly between rural and urban residents explainable by the Harris - Todaro's (1970) model of rural urban migration. The evidence is strongly therefore that the influx of rural dwellers into urban centers in search for better employment opportunities has continued even when the jobs were not available. In recent time (2007 – 2011), the worst form of unemployment has existed in Nigeria where over 17% - 40% of Nigerians are unemployed thus, establishing the fact that the Nigerian economy has failed to achieve development in spite of relative growth. It is a further confirmation of the failure of the political reform programme of the federal government.

### 5.1 Recommendations

1. The Electoral Law as it is currently does not empower the people, but rather dis-empower them. It has to be reformed to create access and participatory democracy.
2. Independent candidates should be allowed in Nigeria
3. The Electoral Law should be gender sensitive ie 'chairperson' should be used in place of 'chairman' to give the women a sense of belonging.
4. The role of money in politics must be checked by the new Electoral Law.
5. While been given a high level of autonomy, the powers of the Electoral Body should be curtailed and its actions open to judicial review.
6. Government should adopt the "basic needs approach" of providing basic needs such as food, water, health care, basic education, transportation, shelter etc. that can impact directly on the lives of the poor people.

**REFERENCES:**

- Agburu, J.I (2001) Modern Research Methodology; The Solid Printing and Publishing Company, Makurdi Benue State.
- Adam, S. (1776) The Wealth of Nations; Claredon Press, London.
- Adeniji, A. (2003) Conflict Management and Co-existence in a Democratic and Plural Society: The Nigerian Example; Journal of Constitutional Development, Centre for Constitutionalism and Demilitarization
- Ajegi, S.O. and Ogiji, P. (2002) Towards Redefining and Achieving Sustainable Development for Nigeria in the 21<sup>st</sup> Century; JESR vol. No.1 page 60.
- Anger, B. (2006) The Development Patterns of Brazil and South Korea; Lessons for Developing Nations JESR Vol. 4 No. 1, Dec. 2006.
- Annual Report on Human Rights Situation in Nigeria (2001), CDHR, Lagos
- Anyanwu, J.C. et al (1997) The Structure of the Nigerian Economy; Joanne Publishers; Onitsha.
- Ayashagba, G.I. and Abachi. P.T (2002) The Impact of FDI on Economic Growth of LDCs; A Case Study of Nigeria (1980 – 1997) JESR, Vol. 1 No.1.
- Azinge, E. (2004) Law, Money and Politics; Epiphany Press.
- Bell, H. and Dayle, M. S. (2002) Developing Leadership Abilities; Ohio, Prentice Hall
- CBN (2003) Statistical Bulletin
- CBN (2004) Statistical Bulletin
- CBN (2006) Statistical Bulletin
- CBN (2011) Statistical Bulletin
- Federal Office of Statistics (2008) [www stat.ng.org](http://www.stat.ng.org)
- Haris, J.R. and Todaro, M.P. (1970) “Migration, Unemployment and Development; A Two Sector Analysis American Economic Review.
- Jhingan, M.L (1999) Advanced Economic Theory, Vrinda Publication (p) Delhi India.
- Keynes, J.M (1936) The General Theory of Economic Employment; London, Macmillan.
- Kindleberger, C.P. (1965) Economic Development; MC GRAW Hill New York.
- Kuznet, S. (1955) “Economic Growth, and Income Equality: American Economic Review.
- NEEDS (2004) National Planning Commission, Abuja
- Nwabueze, B. O. (2005) Constitutional Democracy in Africa. Vol. 4

- Okongwu, S. P. (1986) The Nigeria Economy; Anatomy of a Traumatized Economy With Some Proposals for Stabilization; Issue in NIGERIA Development Series FDP Enugu.
- Shamusudeen, U. (2001) Address Presented at the Opening Ceremony; In-House Seminar on “Poverty Alleviation CBN Economic and Financial Review”.
- Stiglitz, J. (200) “The Tyranny of Markets”: www Twinside.Org.
- UNDP (2007) Governance for Sustainable Human Development: A UNDP Policy Paper.

