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# the rest: journal of politics and development

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- Academic Index
- Bielefeld Academic Search Engine (BASE)
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- EconLit
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- International Bibliography of the Social Sciences (IBSS)
- International Relations and Security Network (ISN)
- Lancaster Index to Defence & International Security Literature
- Peace Palace Library
- Research Papers in Economics (RePEc)
- Social Sciences Information Space (SOCIONET)
- Ulrich's Periodicals Directory

## TABLE OF CONTENTS

### RESEARCH ARTICLES

- |    |  |
|----|--|
| 6  | <b>Three Ways to Explore the BRICS (Possible) Impact on the Future Global Order</b><br><i>By Francesco Petrone</i>   |
| 22 | <b>The State at a Traffic Jam: Resource Endowment and the Challenges of National Development in Nigeria's Fourth Republic</b><br><i>By Abraham Musa Peter</i>  |
| 38 | <b>The National Health Insurance Bill: A Critical Review within the South African Development Context</b><br><i>By Mfundo Mandla Masuku, Primrose Thandekile Sabela and Nokukhanya Noqiniselo Jili</i> |
| 50 | <b>Service Delivery with Wanton Protests in Megalopolises, South Africa</b><br><i>By Chuks. I. Ede and Nokukhanya Noqiniselo Jili</i>  |

### BOOK REVIEWS

- |    |  |
|----|--|
| 62 | John C Hulsman<br><b>To Dare More Boldly: The Audacious Story of Political Risk</b><br><i>By I William Zartman</i>   |
| 65 | Michael George Hanchard<br><b>The Spectre of Race: How Discrimination Haunts Western Democracy</b><br><i>By Gennaro Errichiello</i>                        |
| 69 | Jason C Sharman<br><b>Empires of the Weak: The Real Story of European Expansion and the Creation of the New World Order</b><br><i>By I William Zartman</i> |

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## The State at a Traffic Jam: Resource Endowment and the Challenges of National Development in Nigeria's Fourth Republic

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### ARTICLE INFO

### ABSTRACT

#### Keywords:

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There is a nexus between the state, resource mobilisation and the national development of any nation. The capacity of the state is measured by its ability to effectively harness and optimally utilize and allocate the commonwealth of the nation. The Nigerian state has not been able to effectively convert the abundant human and natural resources to wealth for the people. This paper therefore interrogates the capacity and willingness of the Nigerian state to effectively explore and manage the abundance resources to improve the life of the people as a way of enhancing the national development of the Nigerian state. The paper adopted qualitative technique of research with extensive use of secondary data sourced from national and international data banks, the internet, the library and national dailies. The paper followed the logic of neo-Marxism to question the nature of capital accumulation in Nigeria with its attendant (under)development implications. It therefore recommends active state engagement with the private sector to ensure effective use of the abundant resources for the overall development of other critical sectors of the Nigeria's economy.

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### Introduction

Natural resource endowment ordinarily ought to be a basis for development. Generally, the disposition of states to the utilization of available resources can be responsible for the possibility or otherwise of achieving national development that will inevitably lead to guaranteeing of national security. This places the state at the centre stage in the management of the national economy. For instance, the Constitution of the Federal Republic of Nigeria, 1999 Chapter 2, Section 16 (a) clearly stipulates that the state shall "harness the resources of the nation and promote national prosperity and an efficient, a dynamic and self-reliant economy." The state is central to the question of resource mobilisation, distribution and overall development. This is so because, state by virtue of the resources available at its disposal to enforce rules and compel obedience is in a better position to effectively harness the resources needed for development. The possibility of resource – rich countries to achieve development is dependent on the capacity of the state to develop those resources and translate them into betterment of life for the people. To this end, it can be adduced that the "situation of some resource rich countries presents an antithetical situation where the

supposed blessing has been turned to curse” (Peter and Ocheni, 2015). The inability of the state to transform the available resources into tangible development that can emancipate the populace necessitated the resource curse analogy, in that prosperity and poverty has become a faithful companion. For instance, in support of the resource curse analogy, it has been argued that the existence of natural resources in developing countries (Nigeria inclusive) has been seen and become a source of conflict and, therefore, a threat to national security (Okogu, 2007). The ‘resource curse’ theory as developed by Professor Jeffery Sachs seeks to ‘explain the seeming inability of resource rich states in Africa and Latin America to industrialise and prosper like their counterparts in South-East Asia’ (Okonta cited in Peter and Ocheni, 2015).

It is important to look at the evolutionary process of the liberal state in third world societies. This will help to appraise the functioning of the modern state. There are diversities in the state formation process in different parts of the world. But what is critical in state formation in the third world is external influence, particularly that of colonialism, and military intervention, especially few years after the attainment of statehood by most of the third world countries. However, there is no uniformity in the pattern of state formation in third world societies as it was never also the case in Europe (Tilly, 1990).

Instead of harnessing the abundant natural and human resources at the disposal of the state in third world societies to develop the society and the people, the state has become deeply authoritarian. The authoritarian, draconian and dictatorial tendencies of the state necessitate the deployment of instruments of state to hijack state resources for personal and selfish purposes putting the citizens at the position of ‘powerless spectators’ totally disarmed of any capacity to drive economic development or participate effectively in the political arena. The state has become notorious for the high rate of poverty unleashed on the people, ever rising corruption profile, religious, ethnic and communal violence in many parts of the country. The Nigerian state and the people especially in the fourth republic, that is between 1999 to date has suffered monumental losses occasioned by diverse violent conflicts. Notable among them was the religious crises that broke out as a result of the adoption of the sharia legal code by some states of Northern part of the country, the ravaging Boko Haram terrorism and farmers/herders crises (Irefin et al., 2019; Ocheni and Jacob, 2019; Peter and Ocheni, 2015). All these add up to threaten the Nigerian national security and negate the quest for development (Ojione, 2010).

But authoritarian regimes (including civilian ones) have been able to engineer development in history as evident in the case of the Asian Tigers (Peter, 2012). This was corroborated by Evans (1995: 11) that Brazil, India and South Korea “are countries where state involvement in industrial transformation is undeniable.” The presupposition is that the availability of natural resources is inconsequential as long as the state is not strong enough to harness the abundance potentials into tangible development.

There are therefore urgent need to look beyond the mere availability of resources and focus on the readiness and capacity of the state to transform these potentials for the betterment of the people. But when a state is hijacked or held up in a traffic jam (that is a situation of congestion of vehicles without any possibility of free flow of movement), what become of the quest for development? Potentials and resources will only waste away. This study is an attempt to examine the implication of a state held up in a traffic jam, which apparently lacks the capacity to transform the abundant human and natural resources for the development of the state and overall quality of life of the people.

## Conceptual Clarifications: The State, Resource Endowment and National Development

### *The State and Resource Endowment*

The relationship between the state and the society is central to the understanding of the economy. The interdependence and interaction between the state and the society is necessary to the appreciation of human history. For instance (Lambach, 2004: 3) notes that “though some ... states wield formidable military might, they are frequently unable to collect taxes, conduct a census or implement the most basic of policies at the local level.” That brings in the need for a coherent, organized and strong society to facilitate the effective management of the institutions of the state. As Okolie (2008: 70) rightly opines, the state is seen as “that supreme power/authority in a given polity which represents group and interpersonal relations and enunciates, through governmental authorities, rules and represents an objectification of rural codes, normative economic practices and practical ethos and standard.”

The liberal perspective on the state tends to project the neutrality of the state and justifies its capacity to defend the common man with the ultimate purpose of protecting the common good of the people. At the centre of the liberal conception on the state is the description of the state by Max Weber as “a compulsory political organization with a centralized government that maintains a monopoly of the legitimate use of force within a certain territory” (Hay, 2001: np). The categories of state institutions, which include administrative bureaucracies, legal systems, and military or religious organizations all these in according to the liberal paradigm worked collectively to guarantee the common good of the entire human population.

Besides, the social contract theorists see the state as a human creation and a product of a contract entered into by everybody in the society (Appadorai, 2004). The assumption of the social contract theorists is that the parties to the contract must keep its terms. In keeping with the terms of the contract, the state must defend the people, provide their basic necessities and give them reasons for living. When these fail, revolting becomes inevitable (Peter and Ocheni, 2015).

The different levels of the intellectual development of Karl Marx present different perspectives to the concept of the state. At the early stage of his philosophical interpretation of phenomenon, the ‘innocent’ Marx was a supporter of Hegelian Dialectical Idealism, making him to recognize and accept the neutrality of the state and its existence for the protection of common interest (Jessop, 1982). Marx’s belief in the Hegelian perspective of the state at this point compelled him to extol the emancipatory status of the state and eulogise its capacity to liberate the common man. This is as Peter and Ocheni (2015) submit that his *conversion* to communism was after observing the exploitative posture of the state and its inhuman disposition to the poor in the society. This posture is worsened in Africa, where the post-colonial state represents the agent of oppression and repression, and a critical instrument for primitive capital accumulation.

The changing perspective of the Marxist assumption of the state propelled the writing of the Manifesto of the Communist Party, in which Marx and Engels defined the modern state as nothing but *an executive committee for managing the common affairs of the bourgeoisie* (Marx and Engels, 1848). The position presented by Marx and Engels in the Communist Manifesto equates the modern state with the bourgeois class, hence making it perpetually anti-masses and antithetical to the growing principle of populism. Peter and Ocheni (2015) opine that the controversy



surrounding the Marxian view of the state necessitated the emergence of two perspectives on the Marxian state. They are the instrumentalist and structuralists' perspectives.

The instrumentalist perspective on the state derives mainly from the opinions of Ralph Miliband. His opinion is popularly referred to as the economic determinist perspective on the state. This is encapsulated in his book, "The State in a Capitalist Society". Miliband and his supporters derive their perspective from Marx and Engels discussion in the Manifesto of the Communist Party, where the state is seen as a mere instrument for the exploitation of the common people in favour of the bourgeois class. To this end, the instrumentalists questioned the relative autonomy of the state. It supports the notion of Marx and Engels that the modern state is nothing but an executive committee for managing the common affairs of the whole bourgeoisie. The proponents of this perspective assert that the policies and programmes of government are those that benefit the governing and ruling class. Judging from Althusser's ideological state apparatuses such as the media, the school, religious groups and a host of others, the instrumentalists assert that the message and psychology of these apparatuses are geared towards perpetrating the interest of the ruling class and furthering the status quo.

Ralph Miliband's position is called to question following his unnecessary pre-occupation with attacking the pluralist theory of the state which then dictated the logic of his argument. This deprived his position and analysis of the requisite theoretical rigor and scientific relevance. The consequence therefore is; the manifesto of the communist party which is Miliband's point of departure is polemical (Jessop, 1982).

The instrumentalist perspective was criticized by the structuralists represented essentially by Nicos Poulantzas. In his book "The State and Social Classes", Poulantzas recognized the relative autonomy of the state and extolled the virtue of the Marxist state in a sense that there are instances where the state project the interest of the masses. According to him, it is not in all cases, the state acts in the interest of the ruling class alone. Poulantzas and his collaborators took as their point of departure the Eighteenth Brumaire of Louis Bonaparte where Karl Marx referred to the state as being suspended in mid-air.

The controversy surrounding the Marxian perception of the state necessitated the conclusion drawn by Jessop, that there is "nowhere in the Marxists classics do we find a well-formulated, coherent and sustained theoretical analysis of the state" (Jessop, 1982: nd)

Jessop (1982) submits that the nature of the state differs in different societies. To this end, he is of the view that "since capitalism exists neither in pure form nor in isolation, states in capitalist societies will necessarily differ from one another" (Jessop, nd). The proposition therefore is that the character of the state differs from state to state. The character of the state in advanced capitalist states cannot be the same with the character of the state in post-colonial and less developed societies.

### ***National Development***

The significance of national development in any political system cannot be over-emphasised. Some of the indicators of national development are;

*(1) Gross Domestic Product, this is one of the main measures of economic activity in a country. GDP is calculated without subtracting any allowance for capital consumption. It is the measure of activities located in the country regardless of their ownership. It is a*

*measure of real output produced rather than output absorbed by residents (Black, 2003), (2) gross national product, and gross national income.*

This is one of the main measures of national economic activity. It is measured without subtracting any allowance for capital consumption. It includes residents' incomes from economic activities carried on abroad as well as at home and excludes incomes produced at home but belonging to non-residents. It includes real output produced (Black, 2003), and non-income indicators such as the human development index.

Development involves the general improvement in the welfare of the human population. This necessitated the use of the human development index as an indicator for measuring development by the HDR since 1990. Seers cited in Todaro and Smith (2009: 15) observes that

*The questions to ask about a country's development are therefore: what has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development' even if per capita income doubled.*

The critical point to note about Seers' explanation is the fact that the three major issues raised are mutually reinforcing. Unemployment generates poverty and increases the gap between the rich and the poor in the society. As more employments are been generated, the possibility of gradually alleviating poverty and inequality will rise.

Accordingly, Todaro and Smith (2009: 16) describe development as "a multidimensional process involving major changes in social structures, popular attitudes and national institutions, as well as the acceleration of economic growth, the reduction of inequality and the eradication of poverty." It entails a general improvement in the quality of life and the ability of the people to enjoy unhindered freedom.

### **An Examination of Resource Endowment and the Challenges of National Development in Nigeria's Fourth Republic**

The empirical indicators of national development are economic performance embodying; annual growth rate, national income, Gross Domestic Product (GDP), GNP per capita, poverty, unemployment, and inequality rate; and quality of life, embodying Human Development Index. The reality of development, however, is beyond statistics, people should be able to testify whether there is development or otherwise.

Nigeria is blessed with abundant human and natural resources. Every part of the federating units have sizeable natural resource deposit that if adequately tapped can accelerate the over – all development of the Nigerian people and the state. Some of the natural resource deposit in Nigeria are; oil and gas, rubber, iron ore, coal, ignite, cocoa, coffee, tin, ply wood, lead, gold, palm oil, among others. To this end, it can be conveniently conceived that resource endowment refers to the concentration of natural resources in a locality. The adequate and satisfactory exploration and adequate utilization of those resources often help to jump start development.

The Constitution of the Federal Republic of Nigeria, 1999 as amended empowers the federal government of Nigeria to harness the resources for the betterment of the Nigerian peoples and

government. Section 16, subsections 1a – 1d of the constitution provides that the State shall, within the context of the ideals and objectives for which provisions are made in this constitution;

*(a) Harness the resources of the nation and promote national prosperity and an efficient, a dynamic and self-reliant economy;*

*(b) Control the national economy in such manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity;*

*(c) Without prejudice to its right to operate or participate in areas of the economy, other than the major sectors of the economy, manage and operate the major sectors of the economy;*

*(d) Without prejudice to the right of any person to participate in areas of the economy within the major sector of the economy, protect the right of every citizen to engage in any economic activities outside the major sectors of the economy.*

This places enormous responsibility on the state with respect to efficient and effective harnessing and utilization of the resources of the state. To what extent has the state fared in the performance of this task? What are the implications of inefficient resource utilization for the spiralling cases of violence in Nigeria? These form the content of the discussion in this paper.

A strong and a responsible state will transform the available resources and potentials of its people for the purpose of the overall improvement of the populace. But in Nigeria and possibly in most part of Africa, the post-colonial state is unable to effectively perform the role of reconciling the differences between affluence of the country reflected in the abundant natural and human resources and affliction reflected in the worsening poverty condition, widening inequality and the galloping unemployment has been the bane of the crises rocking the Nigerian state. The state rather has been trapped in a traffic jam; its energy is being constantly expended without any tangible work done. The traffic jam analogy here explains the current stiffening of development and progress in Nigeria and many parts of Africa; as, in a traffic situation, the bus driver, conductor, passengers, other road users, and traffic officers are not exonerated from the uneasiness of such unpleasant situation. Criminal elements take advantage of such unpleasant situations to carry out their nefarious acts, quarrelling is not unlikely as cars are likely to batch other cars, situation which could worsen the situation.

The discussion below presents the justification for the hold-up status of the Nigerian post-colonial state. These manifestations are themselves antithetical to development.

### ***The Nigeria's Post-colonial Resource Dependence Economy***

The post-colonial state in Africa exhibits similar characteristics. The character of the post-colonial leaders in Africa, as captured by Fanon (1963) shortly after the independence of most of the African countries, appears prophetic as the argument has been plausible and relevant today after over five decades of the attainment of political independence. To Fanon (1963: 149),

*The unpreparedness of the educated classes, the lack of practical links between them and the mass of the people, their laziness, and, let it be said, their cowardice at the decisive moment of the struggle will give rise to tragic mishaps.*

The character of the leaders automatically translates into the character of the state in post-colonial society. This was emphasized by Ake (2003: 1)'s assertion that in post-colonial societies, "the problem is not so much that development has failed as that it was never really on the agenda in the first place." It is possible to note that after nearly six decades of independence, Nigerian leaders are yet to lay foundation for the sustainable development of the country as it can be said development is not on the agenda of successive administration in Nigeria.

Following Nigeria's heavy dependence on oil for survival since its discovery in commercial quantities in 1956 and subsequent exploration in 1958, it has been the main source of foreign earnings and a major source of gross domestic product (GDP). The wealth from the surplus oil has not translated into improved quality of life for the people. This is probably because the affluence from oil has not been effectively invested into developing other critical sectors of the economy for the purpose of achieving overall development. The government has not been able to use the available affluence to wipe out affliction (Ibeanu, 2008), instead, what has become the case is the contradiction of wealth, national security and national development (Omeje, 2006), a situation that made prosperity and poverty, affluence and affliction, abundance and scarcity, wealth and weeping to move side-by-side. Instead of harnessing the resources for the overall development of the state and its people, what has prevailed in Nigeria is the wanton mismanagement of the resources – a situation that corroborated Acosta and de Renzio (2008)'s assertion that aid and rent dependent countries have a high tendency to mismanage the economy.

The condition of the post-colonial state in Africa is not similar with what happens to some resource-rich countries, which have become advanced technologically. For instance, the United States of America (U.S.) is a resource-rich state that was able to maximize the resources to attain the current level of development, emerging as the largest economy in the world. Investment of the proceeds of the abundant natural resources in the development of other sectors will gradually cumulate in diversification of the economy that can take the economy from a monocultural status. For instance, "the rapid growth of U.S. copper production illustrates the ways in which investment and technology can expand a country's resource base, effectively creating new natural resources from an economic standpoint" (Wright and Czelusta, 2004: 12). It is worthy of note that resource wealth itself is not necessarily bad. Indeed, "the common sense proposition that it is a good finds considerable support, including from examples like Australia, Canada and the United States, which have transitioned from resource-based countries to high-income diversified economies" (Gelb, 2010: 3). Infact, Wright and Czelusta (2004: 9) strongly note that "resource abundance was a significant factor in shaping if not propelling the U.S. path to world leadership in manufacturing."

The reality therefore is resource wealth ought to be a blessing to the country and the people. Going by this development, sub – Saharan African (SSA) countries should have been more advanced than any other region of the world. The contradiction therefore is that "the volume of recklessness and mismanagement of public funds through embezzlement, bribery and extra-budgetary spending in Nigeria" (Peter and Ocheni, 2015) and other African countries have been the undoing and the bane of poverty and underdevelopment in Africa. This made SSA a typical example of the resource curse analogy characterized with inherent crises of development and security.

### ***The Budgetary Allocation and Economic Performance of Nigeria's Fourth Republic***

A cursory look at the priority of Nigeria's spending in this fourth republic helps to validate the challenges confronting the Nigeria's post-colonial state and the difficulty of entrenching

development. The argument has revolved around the need for increased spending as the parameter for boosting the welfare of the people. But the opposite has been the case. Increasing budgetary allocation between 1999 and 2018 has had divergent impacts on the economic performance of the country. In some cases, particularly between 2007 and 2009, parts of the money voted for capital and developmental projects were refunded at the end of the financial year as unspent fund.

Similarly, Usman (2008: 4-5) asserts that “effectively and efficiently implemented government spending on infrastructure increases private sector productivity by providing complementary public inputs (for example, through spending on roads and bridges that facilitate trade in rural areas).” Inability of Nigeria’s budgets to satisfy these requirements is possibly responsible for the collapse of infrastructure and stifled development in Nigeria and the attendant cases of unemployment and accompanying poverty. Ineffective fiscal policy, fiscal indiscipline, economic wastage can harm the growth process of an economy (Acosta and de Renzio, 2008; Ibeanu, 2008; Peter and Ocheni, 2015; Usman, 2008).

Nigeria has been spending over 50% of its annual national budgets on payment of salaries, wages and overheads. The volume of money spent on wages and salaries of workers in sometimes unnecessary sectors of the economy could have probably been diverted into productive sector(s) that can drive development. There is a widening difference between capital expenditure and recurrent expenditure. Many aid and/or resource dependent countries particularly those of sub – Saharan Africa perform badly in the management of the economy (Acosta and de Renzio, 2008). To this end, they assert that “resource revenues create disincentives for good budget governance and compound weak government capacity to manage windfall revenues (Acosta and de Renzio, 2008: 16). This appears to be the attribute of rentier societies. The usual assumption is that it is free money and can be spent freely without inputs from the people.

The citizens’ indifference despite the continual mismanagement of the resources of the state in resource-rich countries is, in the opinion of Tilly (1990), a function of the fact that the wealth is not accumulated through taxation. The citizen can easily interrogate the outlet of state resources and effectively checkmate the pattern of government’s expenditure if bulk of the state’s resources came directly from them. It is therefore plausible to assert that there is a correlation between source of income and its expenditure on one hand and between source of income and citizens ‘assertiveness on the other hand.

To this end, as Ibeanu (2008) argues, the usefulness of annual national appropriation has repeatedly become a nullity owing to its persistent non-implementation, a situation that is largely responsible for the general failure of governance in Nigeria. Failure of the appropriation acts and policies also serve as a pointer to the general failure of other development policies and programmes of the government.

Regarding the implications of such a failure on human development, Table 1 gives the rundown of the performance of Nigeria on the HDI (Human Development Index) scale. Despite the seeming improvement in the HDI, as human development index of Nigeria shows a steady but marginal increase from 0.438 in 1990 to 0.532 in 2017, the country however Nigeria ranked 157 out of the 189 countries surveyed in 2017. This puts Nigeria at a dangerous point of human development particularly when looked at vis-à-vis the abundant human and natural resources Nigeria is endowed with.

**Table 1: Human Development Index Trends of Nigeria**

S/NO	YEAR	HDI
1	1990	0.438
2	1995	0.450
3	2000	0.466
4	2005	0.499
5	2010	0.484
6	2011	0.494
7	2012	0.512
8	2013	0.519
9	2014	0.524
10	2015	0.527
11	2016	0.530
12	2017	0.532
13	2018*	0.532

**Source:** 1. <http://assemblyonline.info/?p=1874>. Retrieved 30 – 05 – 2010; 2. Human Development Report, 2010; 3. From Wikipedia, the free encyclopedia (2010) List of countries by HDI; 4. <http://hdr.undp.org/en/data>. Retrieved November, 15, 2018; 5. <http://worldpopulationreview.com/countries/hdi-by-country/>. Retrieved 25 – 09 – 2019. \*The 2018 report is the last as the time this paper was written. The next edition is expected probably before the end of the year 2020.

### **Poverty Rate in Nigeria**

The failure to entrench development in Nigeria is further explained by the triple challenges of poverty, inequality and unemployment. The centrality of poverty in the measurement of the level of economic development of a country cannot be over-emphasized. In this context, poverty can be understood as “the lack of basic human needs, such as clean water, nutrition, health care, education, clothing and shelter, because of the inability to afford them” (cited in Peter, 2012). It is an income below which families would find it difficult to live without serious problems and which would place them in real danger when faced with any sort of economic crisis, such as a sick child or an injury at work.

It constitutes the entire measurement indicator of the quality of life of the people. In fact, in defining development, poverty is one of the central considerations. That is why Seers defined development by posing those three critical areas of the human society. In conceptualizing development, Seers opined that; what has been happening to unemployment? What has been happening to poverty? What has been happening to inequality? To him if two of those issues are on the increase, it will be wrong to say there is development even if the improvement in one doubled.

Poverty reduction or eradication though gradual cannot be achieved by mere policies. In most cases, these policies do not put into consideration the real victims of poverty. Its eradication must follow a practical and logical pattern. For instance, Ibeanu (2008) questioned the poverty eradication programme of the Nigerian government that does not incorporate the people that are

really poor. Besides, its sustainability is not guaranteed thereby making him to justify the poverty of the whole poverty alleviation programme. To overcome poverty in Nigeria and most of the countries suffering similar fate, what is expedient is a return to the politics of development. When development sets in, poverty will inevitably give way. Lending credence to this assumption, Ake (2003) describes the Africa's experiences in which there was no emphasis on the politics of development, hence orchestrating the marginalization of development that inevitably results in the current state of poverty in the post-colonial African state.

Regime type has remained an ineffective factor in the issue of development. Nigeria has repeatedly had poor outings during undemocratic and democratic regimes alike. This goes a long way to supporting the assertion that what is most important is the level of poverty and the extent of poverty eradication is measured by the commitment of the leaders to aggressively pursue the kind of development agenda that can eliminate poverty on the long run. Poverty has no regard for regimes. People can be poor in democratic as well as undemocratic regimes. The fight against poverty is a serious one. What is critical is the capacity of the state whether democratic or not to improve the life of its people through a well-articulated human resource development programme that can make them relevant in the rapidly globalizing and competitive world.

The 2018 edition of the multidimensional poverty index indicates that 86.9 million Nigerians are now living in extreme poverty represents nearly 50% of its estimated 180 million population (UNDP, 2018). For example, in the early 1990s, 90.8 percent of the population lived on \$2 per day or less (Yates, 2004, February). By the 2018 edition of the MPI, 86.9 million Nigerians representing about 50% of the population are living on less than 1\$ per day. This is abysmal particularly when looked at vis-à-vis the enormity of the natural resources Nigeria is blessed with.

The possibility of getting rid of or probably reducing poverty may not be there since according to Yates (2004, February) it "coincides with large and growing inequality of both income and wealth, inequalities ingrained in the laws of motion of capitalism." Capitalism has been reckoned with to possess the capacity of increasing both poverty and prosperity. Abysmally, the activity that causes poverty at one end reproduces prosperity at the other end. While the workers and other category of the peasantry are being continually exploited through what is in the Marxian parlance described as surplus value, the capitalists increase their prosperity from the same process. This eventually widens the degree of inequality and correspondingly increases poverty.

In sum, it is instructive to note that a critical means of alleviating poverty is the aggressive pursuit of growth and development. The achievement of development is the panacea for sustainable poverty reduction. The logic is that as more industries spring up, the rate of unemployment will reduce, and poverty will gradually give way.

### ***Rate of Unemployment in Nigeria***

There is a linkage between unemployment, poverty and inequality. The possibility of an unemployed person to be below poverty line is high. This makes the gap between the rich and the poor wide.

The 2017 estimate puts the percentage of unemployed people in Nigeria at 13.9%. Based on the 1999 estimate, agriculture employed 70%, industry employed only 10%, while the service sector employed 20%. In similar development, agriculture contributes 21.1% (2016 est.), industry contributes 22.5% (2016 est.) and the services sector contributes 56.4% (2017 est.) to the GDP of

Nigeria respectively (All the values in percentages were gotten from CIA World Fact Book, 2020). Although agriculture employs about 70% of Nigerians, the state of agriculture in Nigeria has remained largely subsistent with poor storage and processing facilities. Nigeria is still in total obedience of the international division of labour architecture designed by international capitalism to favour the metropolitan capitalist societies. Nigeria has continued to stagnate on the periphery of the international capitalist structure with speciality in the production of raw materials. With industrialisation and the growing discoveries of synthesis, the need for Nigeria's raw materials has dwindled – hence aggravating poverty and mass exodus from the rural to urban area.

### **Degree of Inequality in Nigeria**

The interconnectedness between poverty and inequality is indisputable. Yates (2004, February) notes that “poverty on a global scale is matched by an enormous and growing inequality of incomes.” Poverty and inequality have diametrical relationship. They are both self-reinforcing.

At the root of the capitalist system is the issue of inequality. It is not very hard to see why. In capitalist economies, everyone is free to make money, but it is remarkable how few do. Capitalist economies espouse egalitarian values, but the consequences of their normal operations are extraordinarily inegalitarian. It was argued that, “among all the subtypes of political regimes, communist dictatorships had the highest level of social equality” (Antic, 2004: 23). This alludes itself to the capacity of state regulated economy to ensure proper re-distribution of wealth targeted at bridging the gap between the haves and the have not's in the society.

Inequality is still very prominent challenge in Nigeria's fourth republic. For instance, Milanović (2002: 60) reports that:

*The richest 1 percent of people in the world gets as much income as the poorest 57 percent. The richest 5 percent had in 1993 an average income 114 times greater than that of the poorest 5 percent, rising from 78 times in 1988. The poorest 5 percent grew poorer, losing 25 percent of their real income; while the richest 20 percent saw their real incomes grow by 12 percent, more than twice as high as average world income. World inequality grew because inequality grew between and within countries. The rich nations grew richer and the poor nations grew poorer; the rich within each country grew richer at the expense of the poor.*

Confirmingly, the inequality in Nigeria has been one of the highest in the world, as the top 20% of the population controls the 65% of national assets and the extreme inequality “finds expression in the daily struggles of the majority of the population in the face of accumulation of obscene amounts of wealth by a small number of individuals”, as the Oxfam report on *Inequality in Nigeria* shows (Oxfam, 2017: 4). The poverty and inequality in Nigeria, as the Oxfam report further shows, however have not been

*due to lack of resources, but to the ill-use, misallocation and misappropriation of such resources. At the root there is a culture of corruption and rent-seeking combined with a political elite out of touch with the daily struggles of average Nigerians. (2017: 5.)*

The UNDP Human Development Report (2009) confirmingly asserted that

*Between 1985 and 2004, inequality in Nigeria worsened from 0.43 to 0.49, placing the country among those with the highest inequality levels in the world. Many studies have*



*shown that despite its vast resources, Nigeria ranks among the most unequal countries in the world. The poverty problem in the country is partly a feature of high inequality, which manifests in highly unequal income distribution and differential access to basic infrastructure, education, training and job opportunities.*

### **The Commodification of Electorates**

The operation of the rentier system, occasioned by excessive dependence on crude oil, has inadvertently led to undue wastage of resources. One of the manifestations of this is the huge sum of money usually made available for sharing. The chief executive of the country plays a very strategic role in determining who gets what, when and how. This makes access to the seat of power very lucrative and highly competitive. In the bid to achieve this, stakeholders in the Nigerian project have devised several dubious means, including flagrant abuse of people's rights and aggressive pursuit of injustice and the accompanying galloping corruption. Part of the predicaments confronting political succession in Nigeria is what Ibeanu described as 'primitive accumulation of votes' (Ibeanu, 2006). The struggle by political elites to win elections by overt or covert means because of the privileges attached to those offices. The implication is that votes hardly count. Despite the pursuit of electoral reforms, which analysts and political commentators are of the view may help in restoring peoples' confidence in the electoral process, vote buying has become prominent in the current political milieu of Nigeria. In fact, the country has even come to discuss the *legalization* of vote buying. For instance, in the previous Ekiti and Osun states gubernatorial elections, which was held in 2018, the governing party distributed the *tradermoni* just few days before elections. In the build up to the 2019 general elections, the governing All Progressive Congress (APC), this time activated the distribution of *tradermoni* as part of its social intervention programme – a move suggesting a tacit legalization and institutionalization of vote buying as part and parcel of the Nigerian electoral system.

### **Conclusion and Recommendations**

It has been established that resource abundance is not an automatic guarantee for prosperity and development. The duo of prosperity and development will continue to be elusive as long as the abundant resources are continually wasted. The inevitable reality is that resource wastage is antithetical to development. Resource and/or aid dependent societies hardly achieve tangible development. Continual agitations for resource control and the question of ownership will continue to plague the Nigerian state. There are no evidences of any significant improvement in the quality of life of Nigerians. For instance, though the human development index of Nigeria showed a steady but marginal increase from 0.438 in 1990 to 0.532 in 2017, Nigeria ranked 157 out of the 189 countries surveyed in 2017. This puts Nigeria at a dangerous point of human development particularly when looked at vis-à-vis the abundant human and natural resources Nigeria is endowed with. Nigerians still die of common and preventable diseases; illiteracy is on the rise as access to quality education is still poor. Public schools are in comatose, the state is still bedeviled with incessant strike actions and other public facilities are either non-existent or grossly underfunded.

This has heightened several separatist and militia agitations that has plunged the country into perennial crises that often threaten the corporate existence of the Nigerian state. Government often

responds to this with force and counter violence leading to the militarization of the Nigerian society.

As a pathway to national security, prosperity and development, there is need for the elimination of two related economic dependencies namely, dependence on global capital and dependence on crude oil exports. This may not necessarily imply a delinking from the international capitalist market as advanced by the underdevelopment and dependency theorists, but a re-think on the volume and nature of participation of Nigeria, in a way that crude oil can be locally refined. The current state of total dependence on global capital is unacceptable and unsuitable for autonomous development. So, the conduit to sustainable development is the aggressive use of the affluence of Nigeria as a result of the enormous wealth from the sale of crude oil to effectively and permanently wipe out affliction from the country by investing heavily in real sector and agriculture

The foundation for national development is the effective use of the resources from crude to develop other critical sectors of the economy such as agriculture, solid minerals, and the manufacturing sector; and massive investment in infrastructure so as to improve the standard of living of the people. As development sets in, poverty, misery and insecurity will be gradually ameliorated and/or eliminated.

The paper therefore proposes the following recommendations;

- The state must rise up to its responsibility in the proper harnessing and utilization of the abundant human and natural resources.
- The state should aggressively pursue the diversification of the economy as a way of driving the country away from its current dependence on crude oil.
- The political system should be restructured by the government with massive input from the civil society in a way that will provide avenue for the people to effectively interrogate mismanagement of the resources by the state.
- The state through its apparatuses of government should pursue a process of reform that is targeted at restructuring and unbundling the Nigerian state to give room to the federating units to develop autonomously.
- The people should be disciplined enough to make necessary sacrifices and contribute in any way possible to liberate the Nigerian state from the current hold-up status.
- Aggressive pursuit of electoral reform that will bring about transparency and credibility into the electoral system should be a priority of all the critical stakeholders. This will help to free the volume of money spent on vote buying during general elections for developmental purpose and the improvement in the quality of life of the people.

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