

Nigeria: Political Dynamics and Prospects for Reform

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Let me begin by expressing my appreciation to CSIS and Jennifer Cook for giving me the opportunity to speak at this forum. The last time I visited Jennifer was on November 1, 2007, to solicit her counsel and the support of CSIS Africa Program for my pet project at the time – the establishment of a policy research institution in Nigeria. I was then optimistic that Nigeria’s political dynamics had stabilized, there was little or no outstanding debate on Nigeria’s economic reform direction and my country’s growth trajectory was on a firm footing. That I and other reformers in the Obasanjo administration are now in virtual exile, the plans for establishing a think tank put in abeyance, and speaking this morning – two years into the Yar’Adua administration about political dynamics and prospects for reforms means that something has gone awry.

I have been out of government since we handed over in May 2007. I went to London, England to complete a long-postponed degree in Law by June 2008, and then to Cambridge, MA for the one year Edward Mason Fellowship in Public Policy and Management at the Harvard Kennedy School from July 2008 to last week. These remarks are the first in more than a year NOT dependent on grades or subject to the scrutiny and rebuke of my discerning Harvard

professors! My time out of government has been enriching in many ways – the intellectual rigor and environment of the Kennedy School enables one to review decisions and actions taken in the past, an opportunity to look detachedly from outside in after nearly nine years as a policy advisor, privatization and cabinet minister spanning two presidents, and to reflect on the situation in my country; it is this reflection that I would like to share with you today.

CSIS and Washington have hosted many Nigerian delegations – government, business and non-profit leaders, particularly since the election of President Barack Obama. This reflects both Nigeria’s desire to maintain strong bilateral relations with the US government, and the excitement Africans have towards the election of one of our sons to the most powerful political office on the planet. Africans are proud of President Obama and his election in ways that Americans will not understand. For this and other reasons, I believe no US president in recent history has a greater opportunity to transform African leadership than President Obama.

It is of course well known that President Obama will make his first trip to Sub-Saharan Africa (but second to the Continent) in early July with a two-day visit to Ghana. According to the White House, he has chosen Ghana to showcase good governance and support for a vibrant civil society. It was also noted that Ghana has had three successful political transitions with power changing from the ruling party to opposition and not the least of which, the strength of Ghana’s institutions which assure respect for the rule of law and democratic freedom.

This was a clear message to the Nigerian leadership which our media and civil society echoed loudly. It was a big blow to our huge Nigerian egos, but we all know why the most populous nation on the Continent, its second largest economy and leading oil exporter to the USA was

ignored on this trip. It is an indication that the quality of our governance has deteriorated, civil society activities have not been vibrant, our political transitions have not been increasingly transparent and our institutions weak. This was not the trajectory in May 2007. So what happened? What went wrong? What can we learn from Nigeria's experience to guide the future? I will spend the next few minutes outlining my thoughts on these and other related issues.

Why Nigeria's Success Is Important

Nigeria is one great paradox. According to the latest edition of the CIA Factbook¹, it is the most populous nation in Africa with an estimated 146 million inhabitants living within an area slightly more than twice the land area of California. With a GDP of over \$296 billion and huge reserves of crude oil, Nigeria is the second largest economy in the Continent, the leading oil exporter and 37th largest economy in the World. Nigeria's population is project to be nearly 300 million by 2050.

The country is located in the Gulf of Guinea in the Western part of Africa. Nigeria was created by the amalgamation of what were known as the Protectorates of Northern Nigeria, Southern Nigeria and the Colony of Lagos into one nation in 1914. The nation was granted independence in 1960 in what was considered by Time magazine² as a model of negotiated self-rule.

Nigeria in early 2007 was in high spirits – we were about to transfer power democratically from

¹ CIA Factbook – Nigeria, www.cia.gov accessed on January 7, 2009.

² Time magazine cover story was titled: "The Other Africa – Independence without Chaos) with the then Nigerian Prime Minister, Abubakar Tafawa Balewa on the cover. He was assassinated about 5 years later.

one elected government to another, bequeathing a sound economy that was almost debt-free with healthy reserves of over \$45 billion. For the first time since Nigeria's first republic was terminated, there was a window of opportunity to break from the past. The world was watching with interest, with good reason. According to Harvard Kennedy School's Robert Rotberg in a special report³ prepared for the Council on Foreign Relations:

"For policy makers everywhere, Nigeria should be the central African question. No country's fate is so decisive for the continent. No other country across a range of issues has the power so thoroughly to shape outcomes elsewhere in sub-Saharan Africa. If Nigeria works well, so might Africa."

For some of us in President Obasanjo's government, the elections were disappointing but the best candidate won. We had elected our first University graduate as President, a decent man that raised the possibility that we will break the vicious cycle of bad leadership that has defined our nation. We were optimistic about the future.

Within 2 years this optimism has evaporated. The paradox of Nigeria has risen to the surface and what Nigerians worry about today is worsening supply of electricity, longer queues for gasoline, deteriorating infrastructure, higher levels of corruption and impunity in public life, worsening situation in the Niger Delta and blatant electoral manipulation. Compare this with Ghana and one can see why Obama made his choice of where to visit and send a signal to African leaders. That Obama also chose to receive in audience at the White Tanzania's

³ Rotberg, R. I (2007) – *Nigeria Elections and Continuing Challenges*, New York, Council on Foreign Relations, p.5

President Kikwete and Zimbabwe's Prime Minister Morgan Tsvangirai signal further where his heart is – good governance, reform and progress in Africa. This kind of strong signaling is long overdue.

Redefining Reform After Reflection

Looking at the efforts of reformers in the Abdussalami Abubakar and Olusgen Obasanjo administrations, and with the support and assistance of bilateral and multilateral donors, focus has tended to be on economic reforms. With the benefit of hindsight and two years of reflection, I think we all made two huge mistakes. First, we failed to appreciate that the political leadership never really bought into the economic reforms we championed, and accepted them only out of necessity. Second, by insisting that we were technocrats, we failed to get deeply involved in the political process and therefore got easily marginalized and policy directions reversed. Clever as we were deemed to be, we failed to realize that politics trumps everything, everyday! I will give two examples.

For General Abdussalami Abubakar, the imperative for reform arose due to the need to re-engage with multilateral agencies at a time when oil prices had collapsed to about \$10 a barrel in 1998! That situation of near-bankruptcy of the Federal Government enabled us to get the Staff-Monitored Program with the IMF signed and the Privatization Decree enacted in record time by the military junta.

In the case of President Obasanjo, he desired the write-off of our inherited \$30 billion Paris Club debt as his main economic legacy. What the Presidential Economic Team's core group – Ngozi Okonjo-Iweala, Nuhu Ribadu, Oby Ezekwesili, Charles Soludo, Bode Augusto and my

humble self did was to craft a program that will persuade the Paris Club creditors that we deserved better-than-HIPC terms of debt reduction. Luck and foresight helped. We persuaded the political leadership to adopt an oil-price based fiscal rule just before oil prices began to increase rapidly – thanks mostly to the invasion of Iraq, and growing demand from India and China. We were therefore able to accumulate savings and made an offer to Paris Club that they could decline at great risk of never ever getting paid. The debt was retired in 2005 and the decimation of the team began almost immediately after!

The war against corruption got a new lease of life not with the establishment of EFCC, but the accidental appointment of the passionate and committed Nuhu Ribadu as its chairman.

Establishing EFCC was a token step taken by the government to satisfy one of the several requirements of the Financial Action Task Force (FATF) to remove Nigeria from the list of non-cooperating countries in international financial transactions. Nuhu's genius was in obtaining the support of BPE under my leadership in early 2003 and his integration into the core group of the Presidential Economic Team which supported and resourced him in every way. The rest is history. Nuhu was so successful in fighting corruption that two attempts were made on his life and he is now outside on 'exile' too like many of Obasanjo's reform team members⁴.

The vision of reform under Obasanjo, with all its flaws enabled fundamental improvements in Nigeria's economic performance. GDP growth rates averaged 6% during the period, poverty rates fell from 70% in 1999 to 54% in 2006, the exchange rate stabilized, inflation moderated

⁴ Ngozi Okonjo Iweala is back to the World Bank as Managing Director. Nuhu Ribadu is a visiting fellow at the Center for Global development, Oby Ezekwesili is Vice President – Africa, World Bank, Charles Soludo failed to get re-appointed for a second 5-year term as Governor of the Central bank of Nigeria, and Bode Augusto's nomination to Yar'Adua's cabinet was unanimously rejected by the Nigerian Senate, but remains in Nigeria.

and investment rates went up. The reforms made a difference in the life of Nigerians and advanced the interests of the people. And I think that at the end of the day, this must be the index by which Nigerians and the international community will hold the government accountable; whose interests are being protected and advanced?

But economic reforms are not enough. With the benefit of hindsight, equal or perhaps more effort should have been invested in political reforms. And the nexus between political and economic must be established from day one such that we should have had, not a Presidential Economic Team, but a Political and Economic Reform Team. This would have converted the technocrats into the political mainstream and enabled them to be better prepared obtain the buy-in of the political elite. I have personally concluded that it was this failure that led to schism between political and economic elite in the Obasanjo government.

Ultimately, this led to what we now have – the Yar'Adua administration never bought into the economic reform agenda. What is sad is that they had not thought of an alternative agenda either, but felt threatened by those who did. The new administration does not see any need to fight corruption and upset the political culture that brought it into power, thus the need to 'restructure' the EFCC and similar agencies so that they make a lot of noise about "rule of law" but achieve little in concrete terms.

The administration has also embarked on a disingenuous program of political persecution which is so typical of many African and developing countries – criminalize opposition, intimidate the media and silence civil society and independent voices. All those perceived to be opposition are threatened with trumped-up of charges of treason, subversion or 'corruption' if

they had served in any previous government. Journalists are arrested and media houses shut down, while civil society activists are tagged ‘unpatriotic foreign agents’ and so on.

What has happened to me and other ministers (since early 2008) of the Obasanjo administration (and indeed, Obasanjo himself to some degree) are examples of these efforts. We are all actively defending ourselves in domestic courts and considering actions in respect of certain violations of international law as well. The administration has also taken every step to block the prosecution of ex-governors and others earlier indicted for corruption in the Ribadu era. In some cases, charges have been withdrawn and dodgy plea bargains agreed and others that attracted the attention of Human Rights Watch.⁵

My professor at Harvard and lead author of the Mo Ibrahim Africa Governance Index, Robert Rotberg had in 2007⁶ identified eight categories of ‘political goods’ which comprise good governance and separate good performers from poor performers. A review of the pronouncements and performance in Yar’Adua’s two years reveals inadequate outcomes.

As far as **human security** is concerned, it would appear that things have either remained the same at best or got a little worse. The Niger Delta issue has not been addressed. Attacks on pipelines and flow stations persist, and kidnappings have increased exponentially. The much-

⁵ Human Rights Watch letter to President Umaru Yar’Adua dated June 5, 2009 details a few of these.

⁶ Robert I. Rotberg, “Improving Nation-State Governance,” *Daedalus*, CXXXVI (Winter 2007), 152–155.

vaunted “Niger Delta Summit” is yet to take place. An important report⁷ produced by a technical committee set up by the Yar’Adua administration is yet to be approved for implementation since submission in November 2008.

The quality of the Nigeria Police remains poor but a committee on Police Reform submitted a report which is expected to be implemented with financial contributions between the states and the Federal Government.

Rule of law is one thing President Yar’Adua would like to be remembered for. How he will be remembered is of course too early to tell. There is a lot of sloganeering about rule of law, but the Nigerian media and civil society are rightly skeptical based on what they have observed in the last two years. In reality, the Nigerian state is yet to provide “predictable, recognizable, systematized methods of adjudicating disputes and regulating norms...and mores of society...” (Rotberg above). Time will tell whether Yar’Adua’s administration will take the right steps in putting these in place.

The third political good is **free and open participation in the political process** – do Nigerians have political rights? Some rights certainly do exist, but one can say, not enough. Votes matter little in elections in many parts of Nigeria in 2007 and now. The recent attempt by the PDP to win the elections re - run in Ekiti at all costs remains an unfolding drama that will test whether Yar’Adua is willing to deepen and broaden these political rights if that will lead to his person

⁷ See for instance, International Crisis Group Briefing – “Seizing the moment in the Niger Delta” which strongly recommended the implementation of the Ledum Mittee Technical Committee Report, online at <http://www.crisisgroup.org/home/index.cfm?id=6080&l=1> accessed 04/30/09.

and party being voted out of office. While we will wait and see how it all plays out, both Ekiti and other re-runs so far show clearly that this sacrifice will be too much to bear for Yar'Adua, family and political dependents.

Economic opportunity is the fourth political good, and provides a platform for a citizen to pursue and realize his economic potential. This exists in Nigeria, but the expansion of state intervention, contrary what Yar'Adua promised in his inaugural speech may threaten that unless checked urgently. To exploit the market opportunities, maintaining **macroeconomic stability** is vital and **sound money** necessary. It would appear that under Yar'Adua's watch, both have deteriorated, and this has been aggravated by the global economic crisis.

Investments in human capital – education, health and social services, and in **physical infrastructure** are necessary for a productive populace and connection of markets for goods and services. The administration has done little to add to the inherited levels of the supply of these goods. In Nigeria today, electricity generation has fallen from 3,200MW in May 2007 to less than 1,000MW and all inherited power investments put on hold while being endlessly investigated and falsehood propagated to discredit badly-needed investment decisions. The railway investments have been suspended too, but the privately - owned telecoms sector continues to boom – over 50 million Nigerian now carry cell-phones.

Priorities for Nigeria

In my considered view, **effective, results-oriented leadership** is vital for Nigeria and Africa's progress. With a leadership committed and beholden to the people of Nigeria, three issues cry for attention which if addressed will enable the country resolve its numerous challenges in the long run – **electoral reform** to make votes count, investments in physical and human infrastructure particularly **electricity and hydrocarbons**, and security and improved governance of the states in the **Niger Delta**. These translate into Free Elections, More Electricity, No Fuel Queues, Organized Multimodal Transport, Better Schools, Well-Paid Public Servants, Affordable Housing and Healthcare for all - and these are within our grasp as a nation within years if we have **leadership** that cares, and builds upon the work of predecessors rather than engage in endless and fruitless destruction we have seen in 2007-2009. Without leadership, no nation can reach its true potentials and Nigeria is no exception.

The issues listed above should command the attention of all Nigerians that care, as well as friends of Nigeria – and Africa. As a Nigerian, I hope we start in the last two years of Yar'Adua's tenure. As he said at the end of his Inaugural Address, which he may have forgotten:

“The challenge is great. The goal is clear. The time is now.”

It is our duty to as Nigerians and friends of Nigeria remind President Yar'Adua of these words constantly and require him to live up to his promises. The conspiracy of silence amongst the Nigerian elite in the midst of these reversals of progress, is not sustainable. Those that remain silent, in anticipation of some recognition, an appointment in government, an inflated contract,

that lovely plot in Abuja or the safety and comfort of their current situations are betraying the Nigerian nation and even Yar'Adua himself. It is only because we care that we take risks. It is because we love that we sacrifice. Let us all care for and crave a better future for our children by insisting on better governance and management of our affairs. We are entitled to nothing less.

Conclusion

So what is my message to this illustrious audience? Do not accept the mantra that the status quo in Nigeria lends itself to stability. The status quo today is a system of governance where the ruling elite continue to wield authority for their own personal enrichment. Meanwhile, the country and the people suffer. Nigeria's future lies in the country's ability to focus on the three priorities listed above and strengthening its institutions of governance so that there are real checks on authority.

Herein lies the path that the international community should take to engage the Nigerian government. Yes, engage the government, but do so in a meaningful way to address the systematic problems in the country. Do not let throw away explanations, like we are "adhering to rule of law" to mask a judicial process where judgments are bought and sold. For instance, Nigeria is not a needy nation—meager bilateral assistance and interventions with multilateral financial institutions will not influence government behavior. However, Nigerians are a proud people—their officials seek acceptance, recognition, support and entry into the community of nations. The government of Nigeria can be compelled to consider reform if the terms of engagement are clear.

As I indicated above, and paraphrasing the words of Thomas Friedman in reference to Iraq, but which indeed applies to every nation-state:

“Ultimately which way (Nigeria) goes will depend on whether the ruling elite decide to use their freedom to loot their country or to rebuild it”⁸

Thank you for listening.

⁸ Thomas L. Friedman ; After cairo, It’s Clinton Time – The New York Times, June 7, 2009
www.nytimes.com/2009/06/07/opinion/07friedman.html accessed on 06/09/2009