

# ECONOMIC ISSUES IN ACHIEVING SUSTAINABLE DEMOCRACY

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## ABSTRACT

Economic issues in achieving sustainable democracy hinges round the need to bring economic welfare to the average Nigerian. This revolves around the idea of achieving what has been referred to as the common good or the good of the greatest number of Nigerians. This can only be achieved through improved economic and social conditions of the people. This paper will therefore examine the public good and welfare of the great body of Nigerians; it will examine economic issues and military intervention in Nigerian politics, and economic issues and notional unity, It will conclude by showing that democracy will remain a mirage unless the economic welfare of the people is given priority attention.

## INTRODUCTION

Even though we may not like communism as an economic system, we owe a tribute to Marx and his followers for turning the attention of political theorists to the importance of economic issues in national affairs. With the appearance of Marx's *Das Kapital* and the issue of the *Communist Manifesto* by Marx and Engels in 1888, Marx brought into politics, economics and philosophy the underling theory of dialectical materialism. Marx followed Hegel who was the founder of modern dialectics but differed from him in that while Hegel was an idealist, Marx was a materialist. Marx viewed all existence as a process evolving in a rational pattern according to the "dialectic" the real "Law of motion", of nature society, and thought. Marx's theory embodied a theory of history, which saw all social change as basically determined by technological-economic forces (Marx and Engels 1888). Modern theorists, scholars and analysts have agreed with Bentham that the greatest good for the greatest number of citizens is the basis of an enduring polity. Economic considerations are cardinal in all political considerations and decisions. In examining the economic issues in achieving sustainable democracy this paper will focus attention on the following issues: the concept of the common good, the issue of federalism, the issue of military intervention in politics and the economic policies of the military governments, the effect of this policy on education, and finally the impact of economic issues on national unity.

## CONCEPT OF THE COMMON GOOD

The common good is the welfare of the people. According to Madison, "the public good, the real welfare of the great body of the people, is the supreme object to be pursued" (Madison, 1966:289).

It is not possible to talk of sustainable democracy in a setting devoid of economic wellbeing of the people. It was asserted that the adoption of Structural Adjustment Policy (SAP) in the 1980's was intended as a democratization effort based on the belief that "economic power had a key role to play in the attainment and consolidation of democracy" (Kukah p. 69).

This should be understood from the point of view that democracy depends for its survival on the will of the people, especially the will of the greater majority which are at the same time the group most exposed to want. De Toqueville (1956) put it this way:

General prosperity is favourable to the stability of all governments, but more particularly of a democratic one which depends upon the will of the majority and especially upon the will of that

*portion of the community which is most exposed to want. When the people rule, they must be rendered happy or they will overturn the state (De Toqueville, 1956 : 129)*

From this point of view we see the importance of the welfare of the people or the general good in the sustenance of an enduring democracy.

In a democracy the people rule through their votes so a government which wishes to stay in power must satisfy the yearnings of the people by ensuring that the welfare of the people is its paramount concern.

Because the masses have the instrument of changing the government - their vote - democracies, of necessity, respect the will of the people. For this reason, democracy is said to equate good governance (Uzoh, 1999), for no government which depends on the power of the majority of the people to keep it in office can toy around with the welfare of the people.

From our discussion so far about the will of the people and the common good which democracies must of necessity sustain, we will examine the following economic issues in achieving sustainable democracy: economic issues in federalism, economic issues and national unity, and economic issues of military intervention in politics.

## ECONOMIC ISSUES IN FEDERALISM

Federalism is that political arrangement whereby independent political units, for some mutual benefits, transfer their individual sovereignties to one overwhelming entity - the federation - while keeping to themselves some domestic responsibilities. Laski (1966) recognized the fact that the state possesses supreme coercive power in any given political society, but that power is usually used to protect and promote the interest of those who own the instruments of production. Thus the political interest of individuals usually merge with their economic interests. You will note that every successful businessman or woman soon becomes politically active. The reason for this is not difficult to discern. Business men are aware that a single political decision can overnight turn a millionaire to a pauper. Federalism as a political arrangement is the vogue in the 20 Century. In fact, Riker (1964) describes the Twentieth Century as the Age of Federalism. He was able to show that in 1964, well over half the land mass of the world was ruled by governments that with some justification, however slight, described themselves as federalisms. Among the countries listed as federations in Africa was Nigeria. Riker stated that the reason for the popularity of federalism is the fact that "federalism is the main alternative to empire as a technique of aggregating large areas under one government." (Riker, 1964 :5). Several reasons inform the creation of federations. One of these reasons is that of mutual defense. The other reason is economic welfare, although in Riker's view the dominating influence in the formation of federalism is the military diplomatic threat from some external force. He even went ahead to show that what informed the Nigerian federation was the military diplomatic threat from Ghana under Nkrumah (Riker, 1964:31). According to Riker, "Nigeria is the only one of ex-British federalism that does not display the unification of a number of separate colonies.

For most of its history under British rule, Nigeria had a unitary government. It was only as withdrawal became an immediate prospect that the British split Nigeria into three parts in anticipation of a future federation (Riker, 1964 :31)

Riker went on to show that the federal arrangement that was made was highly peripheralized. The peripheralization proceeded at rapid rate after independence so that by 1966 the entire edifice collapsed with the intervention by the military in a bloody coup d'etat. An attempt by General Aguiyi Ironsi to return the country to a unitary state by promulgating the Unification Decree No. 34 met with violent rejection. A new decree by General Yakubu Gowon Decree No. 9 of 1966 reversed the trend.

But the reversal was only in form not in substance since the military instituted a centralized federalism that for all intents and purposes was a unitary administration. Under the

military the centre had overwhelming powers over the states. The 1979 constitution further entrenched the centralized federalism practiced by the military government, This feature has once more been made prominent in the 1999 Constitution. Section 251 of the 1999 Constitution confers enormous powers on the Federal High Court on issues ranging from federal revenue, taxation of companies, diplomatic, consular and trade representations to explosives, drugs and poisons. Other sections such as Section 153 which deals with the composition of some important federal executive bodies and Section 271 which deals with appointment of chief judge of a state. Even the remuneration of certain state office holders "may not exceed the amount as shall have been determined by the Revenue Mobilization Allocation and Fiscal Commission," (Section 124 (14)).

As Riker pointed out, peripheralized federations never endure and that has been at the root of a recent call for a Constitutional National Conference that may revert Nigeria to a periphery federalism on its way to ultimate dissolution. At the root of this call for peripheralization of the federation is the dissatisfaction of the periphery of the economic domination of the centre. The main issue today in the federal structure of Nigeria is the issue of revenue allocation. It is argued that there is injustice in the way federally collected revenue is distributed. For this reason states are asking for more powers to be able to control economic resources in their own areas. The Ogoni crisis, the Niger Delta crisis and the constant attacks on the installations of oil companies in the various oil producing areas of the south all point to the economic dissatisfaction of the present federal arrangement.

### **ECONOMIC ISSUES AND MILITARY INTERVENTION IN POLITICS**

We are apt to agree with Grossman (1974 : 8) that "we are all prone to judge political and economic systems by their criterion of distribution justice and equity! This has been the basis for our judging the intervention of soldiers in politics and the justice or otherwise of the prime economic policy which they enunciated and applied for nearly eight years. SAP will forever remain linked in the minds of Nigerians with soldier politicians. The failure of SAP is not evident only from the fact that the economy did not register any positive growth during SAP but also by the distributive injustices that followed the introduction of SAP. There have been views that SAP might have been well conceived to correct the structural deformity in our economic system but only failed at the level of implementation (Uzoh, 1997). The other view is that "SAP arose from the fact that governments of Nigeria had never really been clear and sincere about the origins, scale and scope of the economic crises that the nation had faced, and the connection between economic crisis with other endemic national crises "(Kukah p. 70). It may be safe to say that SAP was born by evident economic crisis but failed because the operators of the system did not know the magnitude and the possible social fall outs of the introduction of SAP. The outcome of this economic policy produced a near calamitous result on the social and economic life of Nigeria.

One of the greatest injustices perpetrated on Nigerians through the operation of SAP was the so-called removal of subsidies. Under the mixed economic system of the 1979 Constitution of the Federal Republic of Nigeria, government made inputs in all aspects of the life of the *people*. At that time, Nigeria operated what has been called "big government" that is, government that stretches its activities in various economic and social aspects of the life of the citizen. When SAP came, the plan was to operate a "small government", that is government that limited its responsibilities to maintaining law and order at home, and relations with foreign countries. In such situation government withdrew all its commitments and responsibilities in economic and social concerns of the people. Thus government withdrew subsidies from agriculture which resulted in a dramatic rise in agricultural inputs. Thus the matchet which cost around N2 before SAP sold for N150 after SAP. Fertilizer, which cost N2.20k before SAP, rose to a record high of N1500 after

SAP. The outcome of SAP on agriculture was to depress agricultural production thus making it impossible for the average Nigerian to have three meals a day. But the greatest harm the SAP did was in the area of petroleum subsidy. Removal of subsidy on petroleum products became the central economic concern of government during SAP petroleum had no more strategic significance in the economy than Coke. Thus there was rat race between Coke and petroleum as to which will first hit the mark of N25 per litre. I dare say that petrol beat Coke in the race because while Coke was still at N15 a bottle, petrol jumped the queue and landed at N25 per litre but was forced to return to N20 per litre as punishment for its sharp practice. The economic fall out in tampering with a commodity as strategic and as volatile as petroleum was enormous. The multiplier effect on the increases on the price of petrol in particular was such that it affected every facet of the national economy. This is because petrol is the one commodity that has to do with all aspects of modern transportation. Thus every kobo increase in the price of petrol resulted in five kobo increase in the price of transportation, with more than fifteen kobo increase in the price of finished goods. The outcome was a dramatic increase in the price of goods and services in the country. What even made matters worse and worsened the sufferings of the masses during SAP was the fact that the so-called removal of subsidy was a continuous process and speculators started hoarding petrol in anticipation of another increase which invariably came as government seemed to have no other preoccupation than the increases in the pump prices of petrol.

Thus under SAP the country experienced unprecedented inflation rate. Industrial production declined and trade and commerce came to a near collapse. Matters were not helped by the long queues in petrol stations and the sharp practices of black marketers. Apart from the negative effect of the application of the SAP policy on agriculture, industry and commerce, SAP played a major role in reducing the quality of life of Nigerians. Under SAP government wanted to conserve the country's foreign exchange through bans on the importation of certain types of goods. The goods that were selected for banning included wheat flour, the product from which bread is manufactured. The outcome was a dramatic rise in the price of bread. The 10k loaf came to be sold for N10 while 20k loaf sold for N20. The increase in the price of bread caused a lot of hardship on the people. Since wheat flour has no substitute, smugglers went into action with the result that bread was always in the market but at an exorbitant price.

Another commodity that received the sledgehammer of SAP was milk. Milk, which is a basic health food for people, especially children and young people, was banned. It is not for economists to determine the physiological damage done to children born between 1984 and 1993 who were denied the opportunity of drinking milk. The sadism of the SAP era can only be appreciated when one recalls that while wheat flour and milk were under ban, government allowed into the country special luxury cars such as a brand of Mercedes Benz cars which became known as "V-boot", together with BMW and Luxurious Toyota models for the very rich. We justifiably observe that under SAP the Nigerian State failed the test of fair distributive

justice, which we have noted above as one of the criteria for judging any political and economic system.

### **EFFECT ON EDUCATION:**

One of the first things that government did during SAP days was to remove all government support on education. Government complained that education was such a burden as should not be left for government alone. In line with this view school fees were re-introduced in all institutions from primary to tertiary, boarding facilities in secondary and tertiary institutions were closed. Consequently, all government's concern in education was to pay teachers who, nevertheless, were hardly ever paid as when due. The result was the introduction in higher institutions in Nigeria such hardship as has no parallel anywhere else in the world. Students

were admitted in higher institutions with no provision for their lodging and feeding. This gave birth to the spectacle of returning students carrying sacks of garri, rice, and beans to school. Where hostels are available they were usually overcrowded with two or three persons sharing one bed. Environmental hygiene declined with frequent outbreaks of cholera, diarrhoea and meningitis in higher institutions. The level of immorality soared with female students cohabiting with male students in hostel rooms containing upwards of fifteen male occupants. Incidents of sexual abuses among students were common. The plight of students was heightened by the practice of balloting for the few available hostel spaces. In some universities and polytechnics a bed space in a room having as many as fifteen occupants cost as much as five thousand Naira to seven thousand Naira. The result of these situations was that tertiary institutions became centres of crime and violence. Frequent disruptions of classes, long periods of closures, and brutal confrontation with police totally militarized tertiary institutions. Frequent disruptions of classes, long periods of closures, and brutal confrontation with police totally militarized tertiary institutions. Administrators of tertiary institutions saw themselves as military commanders with a free hand to inflict violence on their students. Thus began the vicious cycle of violence that has since engulfed tertiary institutions. Cultism in tertiary institutions is the child of government's neglect of that vital sector of the national economy. Apart from militarizing tertiary institutions, evident neglect of educational facilities abounds. Roofs of school buildings caved in, weeds grew on the roofs of buildings, which were never renovated. The school became a dingy, hateful place where students go because they must go to school not because they love going to school. Underfunding of schools, neglect of facilities and structures and inhuman living conditions in higher institutions resulted to a very near collapse of the educational system in this country.

An important fall out of the introduction of SAP was government efforts to reduce its spending, being one of the requirements of IMF. In a country, which has been militarized, this was done through retrenchment exercises, which threw thousands of people out of jobs in the hope of reducing government spending thereby. Retrenchments produced a drastic social backlash in the form of armed robbery, prostitution and frauds. The social cost of military rule and the introduction of SAP can be calculated, in the words of Kukah (1999) "On the basis of the new identities which have emerged: tribal war lordism, secret societies, cults, ritual murders, human traffic, street children, 'area boys', to name a few" (Kukah, 1999 : 214)

It is surprising that the Nigerian economy has continued to survive despite these buffets. Clearly, the Nigerian people have unrelenting faith in their country which even military misrule has not shaken. We may look at one other issue, which affects the achievement of sustainable democracy.

#### **ECONOMIC ISSUES AND NATIONAL UNITY**

We all are aware that man is a being made up of soul and body and that there is no wishing away the demands of the flesh. The flesh like the spirit needs attention but the demands of the flesh are so compelling that immediate attention to them is called for otherwise the organism perishes. Thus there is need for food, clothing, housing, and rest. Great thinkers of old advanced reasons that actuate man's communal living. These reasons have economic and social protection as recurring decimals. Thus, Hobbs tells us that communal living is due to a desire by man for such "things as are necessary for commodious living and a hope by their industry to obtain them (Hobbs 1964 : 32). While Locke (1964 : 128) says that "The great and chief and therefore, of men uniting into a common wealth, and putting themselves under government is the preservation of their property." Thus from these two famous opinions we note that the acquisition and preservation of property is one of the cardinal reasons why men come together to establish nations. In a federal state like Nigeria, this economic desire towards the creation and sustenance of the federation is evident. Nigeria is endowed with rich natural resources especially petroleum. Nigerians hope to share in the blessings of nature in the provision of these resources. It may be surprising that the

Nigerian nation survived the buffets of the military and its SAP policy, but a second thought may show us that the nation survived the military rule simply because there is still hope for a better day. Nigeria still sells oil and the price of crude oil appears to appreciate daily. So long as oil money is still flowing into the national coffers and the fear of looting has now been laid by a change of government, Nigerians now feel the need to preserve the federation.

It may not be an overstatement to say that one of the best ways to control social crimes and social apathy is to offer every<sup>7</sup> Nigeria a share of the "national cake." What we refer as the national cake the equivalent of what the Americans call the American dream. For a time Americans believed that to solve the problem of people who are "out of the loop of human conduct." all what needs be done is to reeducate the persons. Stein (1990 : 65) says: "don't waste your money on education. Instead try offering these underachievers the chance to earn a piece of the American dream." Mr. Stein told a graphic story of Miss Elspeth Holt, a 28 year old middle class lady at Los Angeles w<sup>h</sup>o was so disinterested with the state of affairs in the country that she changed jobs often, got fired in most jobs with in two weeks, was always absent from work and generally was unfriendly with other workers. But this was an intelligent young lady who was dissatisfied with the way economic affairs were run. However this lady became a different person when she got into estate business, where she was not paid a salary but where she could make a financial margin based on the number of businesses she brought to the company.

With her intelligence and industry, with a prospect of landing a fortune before her, she went to work and was able to hit half a million dollars as her personal return within the first six months. She is today a happy, hard working and prosperous citizen of her country.

Let us turn this story round and apply it to Nigeria. There are people in this country, intelligent people who have gone into armed robbery and other social vices due to the belief that they have no share in the Nigerian national cake. They see armed robbery as their own way of obtaining share of the cake. Why not offer them a legitimate means of sharing in this cake which belongs to all of us? Strategies abound, and Nigerians are not lacking in the ability to design effective strategies for bringing the disgruntled, disoriented and dislocated members of our society into the main stream of our national productive life.

## **CONCLUSION**

To achieve sustainable democracy the country will have to reorient itself towards democratic ways of life. Militarism in schools and institutions, in offices and streets will have to be avoided. The good of the ordinary Nigerian should be the main focus of government activities. Rather than retrench workers, government should create jobs. Rather than draft troops and armed policemen into higher institutions as a way of solving the problems of cultism. government should get down to solving the basic social problems of higher institutions such as over crowded hostels, over crowded lecture rooms, inadequate teaching facilities, absence of bursary and boarding to students, exorbitant school fees and the total alienation of the Nigerian youth from the Nigerian state. The military spent almost fifteen years in various phases of transition to civil rule and completely ignored the economy and the welfare of the people. With the new political drumbeat in the country, the nation will dance along the path of democracy and good government with every Nigerian having a share in the national cake. We hope this will be the case.

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