



THE IMPLICATIONS OF POLITICAL LEADERSHIP ON THE ECONOMIC DEVELOPMENT OF NIGERIA, 1999-2019

Onwunyi, Ugochukwu Mmaduabuchi & Nwobu, Chukwudi Michael
Department of Public Administration, Paul University, Awka
Department of Political Science, Chukwuemeka Odumegwu Ojukwu University
Email: ugochukwu.onwunyi@gmail.com, nwobuchukwudimichael@gmail.com

ABSTRACT

The economic development or under-development of a state is directly and indirectly affected by the nature of political leadership present. Inefficient or misdirected political leadership has tentatively become one of the biggest obstacles to the economic development of Nigeria. From the lack of efficient and workable economic policies to heavy dependence on crude oil, tribal politics, the menace of insurgency, bribery and corruption, infringement on human rights, neglect of other sectors like education, health, transportation, science and technology and lackadaisical attitude of the administrators to the masses, the economy of the Nigerian state has taken a downturn for the worst. This has led to the devaluing of the Nigerian currency, dwindling of foreign exchange and the subsequent fall in standard of living. This paper therefore focused on the relationship between political leadership and economic development in Nigeria on one hand and proffering solutions that will enhance effective political leadership which will lead to the salvaging of the Nigerian economy on the other hand, 1999-2019. The methodology of research was qualitative while the trait theory of leadership formed the framework for the study. Arising from the above, the paper was able to find out that there is an absence of synergy among the three arms of government in Nigeria which is evident in cases where each arm acts on its own whims and caprices, and not serving as recourse when necessary. The study recommended that there is need for the Executive to work closely with the National Assembly to expedite action on some priority legislation needed to spur economic development. On another hand, there is need for greater clarity and consistency with respect to government's policy direction. There is no gainsaying that our current economic woes were to some extent caused by the absence of economic policy leadership and confidence.

Keyword: Economy, Development, Politics, Leadership, Nigeria

INTRODUCTION

More than ever before, Nigerian leaders have shown high degree of political immaturity and selfishness in their respective public offices, leading to bad leadership. Consequently, they have no interest in leading in the interests of the people, thereby endangering economic development in the country. A study of these administrations reveals that these leaders have ulterior motive when contesting elections which is to loot the treasury, and it has been observed with great dismay that, when elected, do not live up to the promises they made to

the people during political campaigns. The tribalistic nature of Nigerian political leadership has eaten deep into the fabric of her economic development. This is evident in situations where a leader approves contracts to his fellow tribesman or become committed to the development of his tribe, to the detriment of others. Furthermore, there have been divergent views on who is to blame for the steady decline of the Nigerian economy – the leaders or the people. Many are of the opinion that an economy improves or develops depending on the rules or laws that concern the economy in the areas of import and export, financial auditing and accountability, effective checks and balances on the arms of government, crackdown on fraud and corrupt practices with its attendant jailing of those found guilty of such practices.

The Nigerian economic sector has worsened over the years due to many factors, and the political leadership in the country has done little or nothing to salvage the economy. One of these factors is the massive scale of corruption that has been left unabated for so long. In 2012, Nigeria was estimated to have lost over \$400 million to corruption since independence. Political corruption has been a persistent phenomenon in the country and it has been characterized by cases of official misuse of funds and resources. The government has tried to contain corruption through the enactment of laws and the enforcement of integrity systems, but success has been slow in coming. The second factor is that of poverty. Poverty in Nigeria is usually caused by the instability of the political leadership in the country, including ethnic conflicts and income inequalities. Nigeria has one of the world's highest economic growth rates, averaging 7.4% according to the Nigeria economic report released in July 2014 by the World Bank. Poverty still remains significant at 33.1% in Africa's biggest economy. For a country with massive wealth and a huge population to support commerce, a well-developed economy, and plenty of natural resources such as oil, the level of poverty remains unacceptable. However, poverty may have been overestimated due to the lack of information on the extremely huge informal sector of the economy, estimated at around 60% more, of the current GDP figures. (Wikipedia)

There is also the problem of long term ethnic conflict and civil unrest. Civil unrest might also have contributed to the adoption of populist policy measures which work in the short-run, but impede poverty alleviation efforts. Nigeria has historically experienced much ethnic conflict. With the return to civilian rule in 1999, militants from religious and ethnic groups have become markedly



more violent. While this unrest has its roots in poverty and economic competition, its economic and human damages further escalate the problems of poverty (such as increasing the mortality rate). For instance, ethnic unrest and the displeasure to local communities with oil companies has contributed to the conflict over oil trade in the Niger Delta, which threatens the productivity of oil trade. The lack of a stringent regulatory and monitoring system has allowed for rampant corruption. Nigeria's large population and historic ethnic instability has led to the adoption of a federal government. The resultant fiscal decentralisation provides Nigeria's state and local governments considerable autonomy, including control over 50% of government revenues, as well as responsibility for providing public services.

Environmental issues in Niger Delta also play its part in the downturn of the Nigerian economy. The key environmental issues in the Niger Delta of Nigeria relate to its petroleum industry. We witnessed the slow poisoning of the waters of this country and the destruction of vegetation and agricultural land by oil spills which occur during petroleum operations. But since the inception of the oil industry in Nigeria, more than twenty-five years ago, there has been no concerned and effective effort on the part of the government, let alone the oil operators, to control environmental problems associated with the industry. The carelessness of the oil industry has also precipitated this situation, which can perhaps be best encapsulated by a 1983 report issued by the NNPC, long before popular unrest surfaced. The delta covers 20,000 km² within wetlands of 70,000 km² formed primarily by sediment deposition. Home to 20 million people and 40 different ethnic groups, this floodplain makes up 7.5% of Nigeria's total land mass. It is the largest wetland and maintains the third-largest drainage basin in Africa. The Delta's environment can be broken down into four ecological zones: coastal barrier islands, mangrove swamp forests, freshwater swamps, and lowland rainforests.

Another factor is the problem of ethnic nationalism in Nigeria which came with the advent of colonialism. This happened when disparate, autonomous, heterogeneous and sub-national groups were merged together to form a nation. Again, the colonialists created structural imbalances within the nation in terms of socio-economic projects, social development and establishment of administrative centres. This imbalance deepened the antipathies between the various ethnic nationalities in Nigeria. The historical legacies of colonial rule create some challenges for nation-building in Nigeria. Colonial rule divided

Nigeria into North and South with different land tenure systems, local government administration, educational systems, and judicial systems. While large British colonies like India and the Sudan had a single administrative system, Nigeria had two, one for the North and one for the South. It was almost as if these were two separate countries, held together only by a shared currency and transportation system. Many members of the Nigerian elite class in the 1950s and 1960s had their education and world outlook moulded by the regional institutions. Some had little or no understanding of their neighbouring regions. Under these conditions, it was easy for prejudice and fear to thrive. During the period of the decolonization struggle, Nigerian nationalists from different regions fought each other as much as they fought the British colonialists. Nigeria never had a central rallying figure like Kwame Nkrumah in Ghana or Nelson Mandela in South Africa. Instead, each region threw up its own champions.

The problem of socio-economic inequalities is another huge challenge in development of the Nigerian economy. An important aspect of nation-building is the building of a common citizenship. But how can we have a common citizenship when the person in Ilorin has a radically different quality of life from the person in Yenagoa? Or when the woman in Gusau is more likely to die in childbirth than the woman in Ibadan? Through the development of the economy and equal opportunities for all, or through the development of social welfare safety nets, mature nations try to establish a baseline of social and economic rights which all members of the national community must enjoy. Not to enjoy these socio-economic rights means that the people involved are marginalized from national life. That is why in many Western European countries, contemporary nation-building is about preventing 'social exclusion' or the exclusion of significant segments of the population from enjoying basic social and economic rights.

Constitutional challenges have contributed to the faulty design of the economic growth of the Nigeria. Since its independence, the country has been facing the challenge of crafting a constitutional arrangement that has the backing of an overwhelming majority of Nigerians. In the 1940s and 1950s, our founding fathers battled with this problem. In the end, they arrived at the principle of federalism as a foundation for our nation. But federalism has faced stiff challenges over the years from those wanting a unitary form of government on the one hand, and from those wanting a confederal



arrangement, on the other. The fourth republic has witnessed the beginning and end of six tenures of government who, till date, are operating a constitution that has existed for twenty years without significant amendments.

Theoretical Orientation

This paper made use of the Trait theory of leadership to support its propositions. Trait theory of leadership is defined as integrated patterns of personal characteristics that reflect a range of individual differences and foster consistent leader effectiveness across a variety of group and organizational situations (Zaccaro, Kemp, & Bader, 2004). The theory of trait leadership is developed from early leadership research which focused primarily on finding a group of heritable attributes that differentiate leaders from non-leaders. Leader effectiveness refers to the amount of influence a leader has on individual or group performance, followers' satisfaction, and overall effectiveness (Derue, Nahrgang, Wellman, & Humphrey, 2011). Many scholars have argued that leadership is unique to only a select number of individuals and that these individuals possess certain immutable traits that cannot be developed (Galton, 1869).

Although this perspective has been criticized immensely over the past century, scholars still continue to study the effects of personality traits on leader effectiveness. Research has demonstrated that successful leaders differ from other people and possess certain core personality traits that significantly contribute to their success. Understanding the importance of these core personality traits that predict leader effectiveness can help organizations with their leader selection, training, and development practices (Derue et al., 2011). The trait model of leadership is based on the characteristics of many leaders - both successful and unsuccessful - and is used to predict leadership effectiveness. The resulting lists of traits are then compared to those of potential leaders to assess their likelihood of success or failure. Scholars taking the trait approach attempted to identify physiological (appearance, height, and weight), demographic (age, education and socioeconomic background), personality, self-confidence, and aggressiveness), intellective (intelligence, decisiveness, judgment, and knowledge), task-related (achievement drive, initiative, and persistence), and social characteristics (sociability and cooperativeness) with leader emergence and leader effectiveness. The trait theory gives constructive information about leadership. It can be applied by

people at all levels in all types of organizations. Managers can utilize the information from the theory to evaluate their position in the organization and to assess how their position can be made stronger in the organization. They can get an in-depth understanding of their identity and the way they will affect others in the organization. This theory makes the manager aware of their strengths and weaknesses and thus they get an understanding of how they can develop their leadership qualities.

The traits approach gives rise to questions: whether leaders are born or made; and whether leadership is an art or science. However, these are not mutually exclusive alternatives. Leadership may be something of an art; it still requires the application of special skills and techniques. Even if there are certain inborn qualities that make one a good leader, these natural talents need encouragement and development. A person is not born with self-confidence. Self-confidence is developed, honesty and integrity are a matter of personal choice, motivation to lead comes from within the individual, and the knowledge of business can be acquired. While cognitive ability has its origin partly in genes, it still needs to be developed. None of these ingredients are acquired overnight.

The trait theory is ideal for this study because the economic development or under-development of a state is highly dependent on the kind of leadership exhibited by its political leaders. A good or bad political leader is known by the leadership traits or behaviours he utilizes towards the economic sector. This can be judged from the kind of economic policies being formulated and how they are implemented and evaluated by relevant authorities. It can also be seen from the opinions of the masses towards these policies, especially as to how they impact on them.

LITERATURE REVIEW

Various studies have been carried out by scholars on political leadership and economic development in Nigeria. It is important to review the main concepts of this study and review some research works on them. Political leadership is a part of multi-causal social processes that bring about concrete political outcomes – election results, for example (Greenstein, 2004). In the literature on leadership and management, political leadership from the local to the national to the global level is usually and correctly viewed as a subtype of human social leadership – though we would stress that it is a special ‘thick’,



potentially all-inclusive, subtype. To understand, explain and predict patterns of political leadership and arrive at normative prescriptions for its 'proper' design and implementation, inquirers need to analyse the beliefs, values, characters, power relations, and ethical/unethical values, attitudes and actions of leaders and followers, as well as their historical situation and cultural-institutional context (Nye 2008). Both leaders and followers are involved in a circular process of motivation and power exchange that is often difficult to break up into a causal sequence (Wildavsky, 1989).

Moreover, leadership is a symbolic activity mediated by culture, for leaders as 'identity entrepreneurs' are engaged in providing myths/visions to create, reshape or enhance national and other political cultures. In the process, leaders and followers themselves are affected by what they help create (Rousseau, 1762). Political leadership is one of the most widely experienced and intuitively or tacitly understood phenomena – like great power competition, Olympic rivalries, climate change, the right to develop, or central human rights controversies about trade-offs between security and civil and political rights. In contrast, the concept of political leadership is difficult to define essentially, because it is dependent on institutional, cultural and historical contexts and situations – both particular and general. Empirical operationalization of the concept of leadership involves a host of methodological issues, specifically those related to the definition of variables and the problem of spurious correlation. Nonetheless, the phenomenon of leadership clearly incorporates leaders involved in some type of innovative adaptation with followers, group objectives and organizational means, and problematic situations and contexts (Nye, 1999).

Economic development is the process in which a nation is being improved in the sector of the economic, political, and social well-being of its people. The term has been used frequently by economists, politicians, and others in the 20th and 21st centuries. The concept, however, has been in existence in the West for centuries. "Modernization, "westernization", and especially "industrialization" are other terms often used while discussing economic development. Economic development has a direct relationship with the environment and environmental issues. Economic development is very often confused with industrial development, even in some academic sources. Whereas economic development is a policy intervention endeavor with aims of improving the economic and social well-being of people, economic growth is a

phenomenon of market productivity and rise in GDP. Economic development is a process where low income national economies are transformed into modern industrial economies. It involves qualitative and quantitative improvements in a country's economy.

Political and social transformations are also included in the concept of economic development in addition to economic changes. Literally, economic development can be defined as "passage from lower to higher stage which implies change". Kindleberger and Herrick (1958) point out: "Economic development is generally defined to include improvements in material welfare especially for persons with the lowest incomes, the eradication of mass poverty with its correlates of illiteracy, disease and early death, changes in the composition of inputs and output that generally include shifts in the underlying structure of production away from agricultural towards industrial activities, the organization of the economy in such a way that productive employment is general among working age population rather than the situation of a privileged minority, and the correspondingly greater participation of broad based groups in making decision about the direction, economic and otherwise, in which they should move their welfare"

Economic development also refers to the process by which the overall health, well-being, and academic level the general population improves. Economic development is the growth of the standard of living of nations' people from a low-income (poor) economy to a high-income (rich) economy. When the local quality of life is improved, there is more economic development (Blair and Conor, 2009). Although the term is sometimes used as a synonym for economic growth, generally it is employed to describe a change in a country's economy involving qualitative as well as quantitative improvements. Economic development is a broader concept than economic growth. Development reflects social and economic progress and requires economic growth. Growth is a vital and necessary condition for development, but it is not a sufficient condition as it cannot guarantee development. Consequently, in the words of Meier (1964), "economic development is a process whereby an economy's real national income increases over a long period of time". This definition fails to take into account the changes in the growth of population. If a rise in real income is accompanied by faster growth in population there will be no economic development but retardation. Thus, some economists define economic development in terms of an increase in per



capita income. Drewnowski (1966) defines development in terms of economic and social welfare, "In the standard of living of people economic development is supportive and it involves increased per capita income and creation of new opportunities in education, healthcare, employment sectors. Development is of limited significance if it does not lead to economic welfare.

Political Leadership and Economic Development in Nigeria: The Nexus

In assessing the leadership situation in Nigeria, Adejimi (2005) indicated that in Nigeria, most of the policy makers as well as those involved in decision making are engaged in bribery, egoism, power, and trade liberalization. They are distracted to an extent that they forget the nation's policies aimed at improving the lives of people in the society. Although people in a normal society are expected to be honest, law-abiding and hardworking, instead, in the Eastern Region of Nigeria, the lukewarm and unethical attitude of some of their leaders (and those who are supposed to maintain and enforce law and order) are leading the people to engage in corrupt behaviors. While some studies have provided insight into the constraints and obstacles that many Nigerians, especially people in the Eastern Region of Nigeria, experience in the hands of bad leaders, there is a need for more studies regarding effective leadership and accountability to enable improvements and leadership capabilities on their leaders and policy makers. A great number of leaders and policy makers are occupied with mismanagement and poor leadership skills in their administration of the country. They neglect and ignore policies that are aimed at improving the standard of living among the people of the region. This research, guided by the leadership approach of Northouse, centered specifically on a selected group of 12 past and current leaders of the Eastern Region of Nigeria in an attempt to understand their leadership practices, experiences, and involvements in the operation of the Nigerian government. This study was meant to enable the present leaders and policy makers to better understand the process of leadership as it affects the people of the country with regard to its perspectives, challenges, and realities.

Awofeso and Odeyemi (2014) was of the opinion that poor political leadership greatly undermined the economic development of Nigeria through massive acts. They situated the Nigerian case within a proper context and examined how and why the nation has yet to harness its huge material and human resource endowment in escaping the underdevelopment doldrums. It is also important to discuss how leadership crisis in the polity has contributed

immensely to drag Nigeria into its present state of want, deprivation and hunger, where a vast majority of the citizens live below the poverty line. Overt and covert corruption in high places has contributed remarkably to this. In laying a foundation for Nigeria's current state, the late renowned novelist, Chinua Achebe (1984:1), declared that the problem with the country could be traced to poor leadership: The trouble with Nigeria is simply and squarely a failure of leadership. There is nothing basically wrong with the Nigerian character. There is nothing wrong with the Nigerian land, climate, water, air, or anything else. The Nigerian problem is the unwillingness or inability of its leaders to rise to their responsibility, to the challenge of personal example, which is the hallmark of true leadership (Achebe, 1984:1) The foregoing Achebe assertion implies that the state of Nigeria's lackluster level of development is as a result of the conducts and policies of successive sets of political leaders that have steered the wheel of the nation and managed public wealth since independence in 1960. This point is further alluded to by El-Rufai (2013:71) thus:

“. . . corruption is really only a symptom of Nigeria's problems. The true culprit behind our country's lacklustre progress is actually much deeper and even more difficult to identify, but. . . I refer to it as disastrous political leadership and bad decision making leading to a culture of impunity (El-Rufai, 2013:71).”

The viewpoint of El-Rufai buttressed several others that have linked Nigeria's current state of affairs to poor leadership and adoption of wrong-headed policies at different points in the country's history (Alo, 2014). The interrelatedness of leadership and the pursuit of development ends are captured in the thoughts of Akinrinade (2014) who opines that the three key concepts of Leadership, Governance and Development “could be likened to the Trinity concepts in the divinity, that are inextricably interwoven such that obeisance to one is genuflection to all three” The author noted that any society that is blessed with genuine and competent leadership should have good governance and sustainable development – “the Nigerian problem is the inability of its leaders to rise to their responsibilities, by showing personal examples of true leadership” (Akinrinade, 2014). The leadership challenge in Nigeria no doubt have manifested in various ways. However, one areas in which it has left lasting impact, albeit negatively, on the nation's socio-political landscape is in unmitigated levels of corrupt acts that have impoverished the nation and its people and have left the country wallowing in abject poverty, even when the country is unarguably one of the most endowed



nations of the world. In essence, over the years, corruption has become a way of doing things and has been practically institutionalized in Nigeria, buttressed by the inability of successive leaders to curtail it. One of the nation's leaders in the years immediately after independence, Late Dr. Yusuf Maitama Sule, captured the leadership challenge and related corrupt acts thus:

"I say this with no apologies and it is unfortunate. We have a large chunk of irresponsible people as politicians today. What we have today in Nigeria are job seekers. They are businessmen who come to look for their daily bread; they are not politicians. They did not come to give but to take away. They did not come to lead but to loot. And they are looting us blind. Things were not like this. Things have gone so wrong that the country is in a pitiable condition" (Sule, quoted by NTA News, July 4, 2017).

Sule's opinion underscores the extent to which public leaders have led the way in corrupt practices. While it may be posited, in agreement with Omole (2014b) that "countries over the world have at different times during their developmental journey stared at this behemoth squarely and fought it with all their might", the situation in Nigeria has been the leadership at different levels, instead of fighting it head on have competed in corruption scales. This has impeded the fight against corruption. In effect, corruption in Nigeria has led to irrational decisions which are myopic and motivated by greed, squandering of resources on unsuitable projects, loss of confidence of the people in government and the development of cynical attitude towards leadership (Chinye, 2005). The situation has led to several ill-effects and wastage of resources in the country which Igbinovia and Aigbive (2009) summarized as resulting in infrastructure collapse, poor service delivery, poorly equipped and inadequately trained bureaucracy, manipulation of the judicial and electoral process as a result of civil service politicisation and loss of public funds running into several billions resulting in low GDP, GNP, etc.; and a grossly underdeveloped economy suffering from poor corporate governance and sharp practices exacerbated by dysfunctional supervision and regulation by relevant bodies. The effects of corrupt acts on governance and development are catastrophic. It results in less democratic government susceptible to human right abuses while disparaging equity, accountability, transparency and openness which are the hallmark of credible democratic governance. (Chinye, 2005). Corruption has equally led to a degeneration of

moral values amongst Nigerians and in Nigeria with wealth celebrated without recourse to the source of such wealth. Unmitigated levels of corruption and leadership crisis have also manifested in the collapse of public facilities, with funds meant for social infrastructure diverted to private ends by both appointed and elected class of public officials and their cronies.

Another area in which the ill-effects of corruption and leadership incapacity have impacted negatively is the issue of insecurity which has become a big bane to governance and development in Nigeria. As Oghi (2013) observed, where there is a high disparity level between rich and corrupt public officials on the one hand, and the common people on the other hand, there is bound to be insecurity in the society. A report by CBC News, a Canada based online media attributed the birth of the terrorist organisation, Boko Haram, to "the wide-scale kleptocracy of the Nigerian government . . . accused of pilfering billions of dollars of oil revenues and having spawned a massively corrupt civil service" (Gollom, 2014). The report quoted Sarah Chayes, a senior associate at the Carnegie Endowment for International Peace, as studying the links between systemic corruption in governments around the world and the emergence of extremist insurgencies. She said all those countries, including Nigeria, were run by a kleptocratic clique. Corruption, in other words, has security implications (Gollom, 2014). The U.S. State Department's 2013 Country Reports on Human Rights Practices found that in Nigeria, "massive widespread, and pervasive corruption affected all levels of government and the security forces. Money from oil revenue, supposed to go to programs like health and education, instead ends up in the pockets of senior government officials and civil servants" (Gollom, 2014). Fighting corruption to its barest minimum exude possibilities of having public officials who are responsive to the needs and interests of the people thereby enhancing socioeconomic development of the society. It could also help to boost the interest of potential foreign investors, guarantee efficient delivery of public services, and promote a truly independent and prosperous country. But the situation in Nigeria has been cases of wealth looted with little to show in living conditions of the citizens, with successive set of political leaders accentuating rather than battling corrupt acts, thus exacerbating the leadership challenge further.

After extensive review of the above literature, the researcher observed that those works focused so much on poor leadership exhibited by the Nigerian political leaders, and did little or nothing to explain its connection with the



economic development of the country. Furthermore, these research works provided no concrete solutions to the problem of political leadership in Nigeria and how they can contribute to the development of the Nigerian economy. It is on these gaps in literature that this study seeks to find out the problem with Nigeria's political leaders and their disposition towards the development of the Nigerian economic sector, and also provide solutions that are geared towards putting the Nigerian economy back on the world map in a positive light.

Analysis of the Impact of Political Leadership on Economic Development: Fourth Republic in Focus

Economic Development of Nigeria under Obasanjo Regime (1999-2007)

The morning of Saturday, May 29, 1999 witnessed a turning point in the political history of Nigeria as civilian political leaders were sworn in. The birth of the Fourth Republic became a reality after a prolonged military rule. The newly born fourth republic became highly instructive considering the scope and array of economic and political problems bequeathed to the country by the prolonged years of military rule and which the newly elected civilians have to cope with. It is interesting to note that the performance of the Nigerian economy in 1999 was mixed. Inflationary pressures eased especially during the second half of the year. At this period, inflationary pressures had decreased to 6.1 per cent. This was a great decrease as it had risen up to 70 percent in 1995 and 1996 (Masha, 2000: 36). This coincided with a period of expansionary fiscal deficit and money supply growth. Also, the Naira exchange rate was stable the as dollar exchanged for ₦92.00 to a dollar as at the last quarter of 1999. However, the later part of year 2000 witnessed a drastic increase in the exchange rate. At this period up to the second half of year 2000, a dollar was exchanged for ₦135.00. This shows a decrease of about 50 percent in the value of the Naira.

Although, on assumption of office in May, 1999, the Obasanjo administration immediately took decisive steps to put in place an enabling environment for the thriving of democracy, regaining international respectability. and credibility and putting the economy on the path to sustainable growth and development. However, these measures have not had significant impact on the economy, rather life has continued to be miserable for an average Nigerian. The analysis of the Nigerian economy shall be done further by examining certain significant sectors and aspects of the economy in order to show the

extent of deterioration in the economy. The increase in agriculture production in the preceding five years (i.e. from 1995) was sustained in 1999. During this period, the aggregate index of agricultural production rose by 3.3 percent, compared with 3.1 percent recorded in 1998 while the performance has been highly unimpressive in the later part of year 2000. Consequently, this shoot up prices of agricultural commodities. Also, while the prices of agricultural commodities went up at home, the prices of Nigeria's major agricultural commodities in the world market declined substantially in 1999 relative to their levels in 1998. According to Central Bank of Nigeria's report, the dollar prices of all the commodities recorded declined during 1999. The decrease in prices ranged from 16.9 percent for soya beans to 30.8 per cent for cocoa. (CBN Annual Report, 1999). This was attributed to increased supply and reduction in demand.

The manufacturing sector is another important sector in this analysis. Although the manufacturing sub sector recorded a moderate recovery in 1999 and 2000 from what it experienced in 1996. However, the sector still finds it difficult to change the taste and orientation of the people for imported goods. According to a nation-wide survey conducted by the CBN which covered 560 manufacturing establishments, the weighted average capacity utilization rate of the sub-sector rose from 30.3 per cent in 1998 to 34.3 per cent in 1999. The total cost of operations also increased by 14.2 per cent over the level in 1999 owing mainly to high costs of raw materials, machinery and spare parts. The value of imported raw materials rose significantly by 34.7 per cent and accounted for about 47.5 per cent of the total value of raw materials used, while the value of locally sourced raw materials, accounting for 53.5 per cent of total, increased by 5.8 per cent (CBN Annual Report, 1999). Further growth in the manufacturing sub-sector was impaired largely by low demand for locally manufactured goods occasioned by the influx of cheaper products into the country. Other constraints include the poor state of social and economic infrastructures, including erratic power and water supply, as well as poor performing transport and communication systems.

Economic Development of Nigeria Under Yar'adua (2007-2010)

This administration intended to diversify the nation's revenue base, from oil to the non-oil sectors. This focus is closely tied to food security, land reforms, human capital development and critical infrastructure. Nigeria is a country, which for many years has depended on a mono-product (oil) for its foreign



exchange earnings. As at date, crude oil accounts for more than 85% of externally generated revenue for the country. This has for some time impacted negatively on the nation's economy, especially in these days of drastic fall in the price of crude oil at the international market. The country has not shown enough commitment towards economic diversification. The events of the last eight months (July, 2008-February, 2009) would be used to buttress our observation here. For more than six months in 2008, Nigeria recorded an all time high in its foreign exchange earnings (excess crude account), and consequently huge reserves (as much as \$60 billion was declared at some point). This was as a result of the unprecedented increase in the price of crude oil, which went as high as \$145 per barrel. Analysts projected that that would serve as an opportunity for the diversification programme of the country to be kick-started.

Instead of investing the excess crude money into the development of the vital sectors of the economy, the politicians fought for and succeeded in getting the money shared among the three levels of government, upon which they preside. Majority of such funds unfortunately, found their way into private accounts owned by the politicians and their collaborators. Akpan (Newswatch, February 16, 2009), writing about the huge revenue which accrued to the nation that period has observed: From reliable sources, we learn that out of the N2.9 trillion shared from the excess crude oil account between May and October 2008, more than #100 billion went into the accounts of some greedy public officers. Now the country is looking for #4 trillion to stabilize the economy. This observation is indeed a tragedy caused by visionless leadership which the country presently parades. Politicians seem to have a poor memory of history. After the oil boom of the 1970s, came the economic doom of the 1980s, which effect the nation still grapples with. Presently, after the oil boom of 2008, Nigeria is again suffering from the effects of the current global economic meltdown (with oil selling at \$34 per barrel). It must be observed here that the 2009 budget was passed on the projection of \$45 per barrel of oil. Nigerian politicians have repeated the ugly history of the 1970s. This development automatically portends danger for the administration, as funds may not be available to execute the projects already outlined under the seven-point agenda.

Economic Development under Jonathan Administration (2010-2015)

When President Goodluck Jonathan came into office, Nigeria's agricultural sector was in desperate need of reform. With a sure and steady hand, President Jonathan revolutionized the sector. His efforts have focused on ensuring food security, reducing expenditure of foreign exchange on food imports, diversifying the economy, generating foreign trade and creating jobs. Through the introduction of the e-wallet system, he put an end to the corruption that was once rife in the agricultural sector. President Jonathan has also put in place an automotive policy, which has attracted significant foreign investment and created jobs. The Director-General of the National Automotive Council (NAC) recently estimated that the automotive industry now has the potential to generate over 200,000 jobs.

President Jonathan introduced a cement policy geared at increasing production capacity and quality of cement produced in Nigeria. Already, \$1.2 billion has been saved in foreign exchange demand through sufficiency in domestic cement production. The sovereign wealth fund has been established under President Jonathan's administration with \$1 billion invested to save for future generations and also fund infrastructural spending and stabilization of the Nigerian economy. President Jonathan introduced numerous programmes to provide economic opportunities for Nigerian youths. He spearheaded the YouWIN programme, aimed at creating youth employment and alleviating poverty. The programme will create 80,000 -110,000 jobs over 3 years. He also introduced SURE-P (The Subsidy Reinvestment and Empowerment Programme), which has already created 185,000 jobs across the country. Under President Jonathan's leadership, the inflation rate has been reduced to 8% from 14%. This is due in part to the President's agricultural sector reforms, which have led to a drop in food prices.

The strides made by President Jonathan in the ICT sector have made Nigeria the largest internet market in Africa by volume, with about 48.4 million users. President Jonathan successfully privatized the power sector, positioning the sector to respond adequately to growing power demands and ensuring that Nigerian businesses have the stable power supply they need to thrive and grow. President Jonathan was able to rebase the Nigerian economy, securing Nigeria's place as the largest economy in Africa and the 23rd in the world with a GDP of about \$503 billion. Under President Jonathan's administration, Nigeria has become the number one destination in Africa for foreign direct



investment. This development has brought about predictions that Nigeria will be the third fastest growing economy in the world in 2015 according to CNN business. Under President Jonathan, Nigeria hosted the World Economic Forum on Africa for the first time in 2014, showcasing Nigeria's impressive economic growth to a global audience and attracting further foreign investment.

Economic Development Under Buhari Administration (2015-2019)

The Buhari administration started off on the wrong foot in terms of economic strategy. Ab initio, the President failed to capitalise on the massive goodwill he enjoyed at the start of his tenure to push through decisive policies during his honeymoon period. Initiatives like quickly repealing the Land Use Act or pushing through the Petroleum Industry Governance Bill were overlooked in favour of nothing. For months after taking power, President Buhari did close to nothing on the economic front. His lackadaisical approach, exemplified by his failure to appoint federal ministers until six months after his inauguration, did the economy no favours, leaving economic management to just the CBN. By not having a full cabinet until 166 days after his inauguration, the President allowed the management of the nation's economy to be virtually put on hold for six months during which uncertainty prevailed, thus accelerating capital flight and weakening confidence. By the time the administration started showing some semblance of activity late in 2015, the economy was already in tatters, heading for its first annual recession since 1991. Meanwhile, the CBN's foreign exchange control policy, implemented with the tacit approval of the President, further weakened the naira and put increased strain on local and foreign businesses. Near unanimous calls for the implementation of a market-based exchange rate, which at the time could have aided a smoother economic rebound, were vehemently rejected, with the CBN doubling down and suffocating the foreign exchange market – and the wider economy – in the process. At the start of 2017, a single dollar could buy over ₦500 for the first time in history. The market was broken.

The effects of the foreign exchange crisis have been far-reaching. In the banking sector, naira depreciation led to a significant increase in dollar-denominated non-performing loans (NPLs). Industry NPL ratio rose from 5% in December 2015 to 14% exactly a year later, threatening financial stability. Meanwhile, manufacturing and services businesses struggled, with many shutting down, as they were unable to access the regular stream of foreign

exchange needed for their operations. Some resorted to the more expensive parallel market and as a result, forced through price increases to protect their margins. Meanwhile, the insistence on protectionist measures exacerbated the situation as domestic prices surged in response. The result was Nigeria's most inflationary year for a decade.

If President Buhari could be excused for mismanaging complex economic issues, his handling of the Niger Delta situation was a more political blunder. After many years of stability in the region, primarily due to generous amnesty packages for key militant figures, President Buhari took a dimmer view of the situation, looking to scale back the amnesty arrangement. Idealism aside, the result was catastrophic: a resurgence in militancy crippled Nigeria's oil & gas sector and reduced the country's oil production to a decade-low of 1.7 million barrels a day. As lower oil production interacted with still-low oil prices, federal earnings quickly shrunk and dollar inflows into the economy dried up. Meanwhile, the oil sector was badly hit, contracting 15% in 2016 alone. The Buhari administration has made significant progress in some areas; the implementation of the Treasury Single Account, increased budgetary allocations for capital expenditure, etc. In particular, implementing the TSA, a scheme which mandates the collection and remittance of all government revenue into a single account domiciled with the CBN, has allowed easier monitoring of public finances. The TSA has also helped plug leakages while facilitating appropriation and operational controls, especially during budget execution. In terms of budgeting, the administration has dedicated a greater portion of the federal budget to capital expenditure, in line with its infrastructure development drive. According to the Ministry of Finance, the government disbursed over a trillion naira for capital expenditure in the 2016 fiscal year, by far the largest amount in Nigeria's history, though short of the initial ₦1.8 trillion target.

But this increase in spending has pressured Nigeria's debt position. Though public debt remains within acceptable thresholds, debt is rising at a worrying rate, and crucially, debt servicing costs are consuming a larger share of federal revenues. More positively, in tandem with the Office of the Vice-President, the Federal Ministry of Trade and Investment has introduced several initiatives aimed at easing the process of doing business in the country. A National Action Plan, formulated by the Presidential Enabling Business Environment Council (PEBEC) which seeks to address the challenges present



in the Nigerian business, has already made notable progress in the ease of doing business area. Recent numbers from the National Bureau of Statistics indicate that though the economy continues to shrink, it is doing so at a slower rate. Nigerian States and Federal Debt Stock data as at 30th September 2019 reflected that the country total public debt portfolio stood at N26.14trn. Further disaggregation of Nigeria total public debt showed that N8.27trn or 31.55% of the debt was external while N17.94trn or 68.45% of the debt was domestic. Similarly, total domestic debt was N4.04 trillion with Lagos state accounting for 10.9% of the total domestic debt stock while Yobe State has the least debt stock in this category with a contribution of 0.7% to the total domestic debt stock.

Meanwhile, the broad consensus is that Nigeria should come out of recession sometime this year. Whether this is an indicator that the darkest times are over and the presidency is beginning to come to grips with the complexities of sound economic management, however, remains to be seen. The first two years of the Buhari presidency have been characterised by inexplicable inactivity, toxic economic policies and, lately, some smattering of progress. While some of the economic challenges the administration faced were out of the President's control, the reality is that President Buhari mishandled an already dire situation, resulting in a full-blown recession. If President Buhari's first term is to be regarded as a success, then he needs to radically improve on his first half performance. To achieve this, the Economic Recovery and Growth Plan (ERGP) revealed earlier this year must be swiftly implemented. The ERGP aims to achieve single digit inflation, improve the ease of doing business, as well as reduce unemployment to 11% by 2020. And those are just some headlines. Hopefully, some considerable progress will be made before the end of the administration. Mere hope, however, is not enough. Diligent execution is required. President Buhari's economic legacy and the future of Nigeria hinge on this. President Buhari's popularity was never strongly tied to beliefs about his economic management skills but an inability to turn the ship around could overshadow progress elsewhere, in security, and in corruption.

CONCLUSION AND RECOMMENDATIONS

Political Leadership refers to the ruling class that bears the responsibility of managing the affairs and resources of a political entity by setting and influencing policy priorities affecting the territory through different decision-

making structures and institutions created for the orderly development of the territory. Economic development is generally defined to include improvements in material welfare especially for persons with the lowest incomes, the eradication of mass poverty with its correlates of illiteracy, disease and early death, changes in the composition of inputs and output that generally include shifts in the underlying structure of production away from agricultural towards industrial activities, the organization of the economy in such a way that productive employment is general among working age population rather than the situation of a privileged minority, and the correspondingly greater participation of broad based groups in making decision about the direction, economic and otherwise, in which they should move their welfare. The newly born fourth republic became highly instructive considering the scope and array of economic and political problems bequeathed to the country by the prolonged years of military rule and which the newly elected civilians have to cope with. It is interesting to note that the performance of the Nigerian economy in 1999 was mixed. Inflationary pressures eased especially during the second half of the year.

Based on the above findings, the following recommendations were made:

1. There is need for greater clarity and consistency with respect to government's policy direction. There is no gainsaying that our current economic woes were to some extent caused by the absence of economic policy leadership and confidence.
2. Government must therefore urgently develop and implement an economic reform programme that will signal a bold commitment to business-friendly economic policies which will help to attract local and international investors, generate employment and diversify the economy.
3. Government must sustain its efforts to end the Boko Haram insurgency in the North East and urgently begin the rebuilding of that part of the country. This will include adequate care for the security, health, education and economic wellbeing of internally displaced persons. The militancy in the Niger Delta must also be resolved through dialogue, while the menace of herdsmen across the country should be contained. It is evident that no business can thrive in an insecure environment.



REFERENCES

- Adejimi, A. (2005). *Optimizing management of design process for effective maintenance of public building in Lagos State*. Lagos, Nigeria: University of Yaba Press.
- Achebe, C. (1984). *The trouble with Nigeria*. Oxford: Heinemann Educational Publishers.
- Akinrinade, S. (2014). 'Leadership and Governance in National Development', *lecture delivered at the MBA Executive Students' Management Lecture Series of Faculty of Administration, Obafemi Awolowo University, Nigeria, May*.
- Alo O. (2014). 'Leadership and the Challenge of National Development', *lecture delivered at the Faculty of Social Sciences Annual Lecture, Obafemi Awolowo University, Ile-Ife, Nigeria, March*.
- Awofeso, O. and Odeyemi, T.I. (2014). 'The Impact of Political Leadership and Corruption on Nigeria's Development since Independence', in *Journal of Sustainable Development, 7 (5) Septembe*. Retrieved from <https://www.researchgate.net/publication/266202807> on August 1, 2019, 8:05pm.
- Blair, J. and Conor, C. (2009) *Local Economic Development: Analysis, Practices, and Globalization*. Sage Publications.
- Boone, L.E. and Kurtz, D.L. (1984). "*Principles of Management*", Second Edition, New York: Random House.
- Central Bank of Nigeria, (1999) *Annual Reports and Statement of Account 1990 - 1999*. Abuja: Central Bank of Nigeria.
- Chinye, C.C. (2005). *The Nigerian Factor*. Lagos: Amazingrafolks Limited.
- Derue, D. S., Nahrgang, J. D., Wellman, N., & Humphrey, S. E. (2011). Trait and behavioral theories - of leadership: An integration and: meta-analytic test of their relative validity. *Personnel Psychology, 4(1)*, 7-52.
- Drewnewski, A.D. (1966). Optimal taxation and optimal tax systems, *Journal of Economic perspectives, 4(1)*, p158.
- Ejimabo, N.O. (2013). Understanding the impact of leadership in Nigeria: Its reality, challenges, and perspectives. *SAGE Open*, April-June 2013: 1-14, DOI:10.1177/2158244013490704sago.sagepub.com
- El-Rufai, N. A. (2013). *The Accidental Public Servant*. Ibadan: Safari Books Ltd.
- Galton, F. (1869). *Hereditary genius*. New York: Appleton.

- Gollom, M. (2014, May 9). Boko Haram formed amid Nigerian government corruption. *CBC News*. Retrieved August 5, 2019, from <http://www.cbc.ca/m/news/#!/content/1.2636547>
- Igbinovia, P. E., & Aigbive, O. (2009). *Corruption: A Bane to Efficiency and Effectiveness in the Public Service*. Ekpoma: Ambrose Alli University.
- Jacob, R. & Jacques, E. (1990): "Military Executive Leadership" in Clark, K. E. & Clark, M.B. (eds) *Measures of Leadership: Orange; Leadership Library of America*.
- Johari, J.C. (2001) - *Principles of modern political science* – Sterling Publications, New Delhi.
- Kindleberger, S.O. and Herrick, D.F. (1958). *The Political Economy of Poverty, Equity and Growth*. Oxford: Clarendon Press.
- Lipset, S. M., & Lenz, G. S. (2000). Corruption, culture, and markets. In L. E. Harrison & S. P. Huntington (Eds.), *Culture matters* (pp. 112-124). New York, NY: Basic Books.
- Masha, I. (2000). *New Perspectives on Inflation in Nigeria in CBN Economic and Financial Review*, Vol. 38, No. 2
- Meier, S.O. (1964). *Natural Resources and the Macro-economy*. MIT Press, Cambridge, MA.
- Muhammed, I. (2004). Leadership, the Bane of Nigerian Civil Service. *Ankpa Journal of Arts and Social Sciences (AJASS)*, 2(1), 49-55.
- Munroe, M. (1984). *"Becoming A Leader Every One Can Do It, Lanham"*: Pneuma Life Publishing
- Newstrom, J.W. and Bittel, L.R. (2007). *Supervision Managing for Results* Eight Edition, New York: McGraw Hill.
- Nye, Joseph Jr. (2008). *The powers to lead*. New York: Oxford University Press.
- Nye, Joseph Jr. (1999). 'New Models of Public Leadership', in Hesselbein Marshall Goldsmith and Iain Somerville (eds), *Leading beyond the walls*. San Francisco: Jossey-Bass.
- Oghi, F. E. (2013). Corruption in the Matrix of Development in Nigeria. *European Scientific Journal*, 9(7), 78-87.
- Okeke, B.S. (2007). *Politics of education. The Nigerian experience*. Awka: Doone Printing and Publishing.
- Omole, I. B. (2014b). *Address delivered by the Vice-Chancellor, at the Faculty of Environmental Design and Management 4th Distinguished Guest Lecture, Obafemi Awolowo University, Ile-Ife, Nigeria, May*.
- Onyekpe, J. G. (2008). *Politics and Political Power in Nigeria: Nature*,



- Dynamics and Determinants*. In: M. Dukor, Philosophy and Politics: Discourse on Values and Power in Africa. Lagos: Obaroh and Ogbiriaka Publishers. p. 16.
- Oshionebo, B.O. and Ariyo, O.O. (2007). "Leadership and Effective Management of Human Resources" in Bello – Iman, I.B., Oshionebo, B.O. and Ojeifo, S.A. (eds.), *Fundamentals of Human Resource Management in Nigeria*; Ibadan: College Press and Publishers Limited.
- Oyedijo, A. (1995). *Principles of Management*, Ibadan: Paramount Books Ltd.
- Roger, G. (2012). *Theory and Practice of Leadership*: Sage Publications, London.
- Rousseau, Jean-Jacques (1762). *The social contract*. (France)
- Wildavsky (1989). 'A Cultural Theory of Leadership', in Bryan D. Jones (ed), *Leadership and Politics: New Perspectives in Political Science*. Lawrence: University Press of Kansas.
- Zaccaro, S. J., Kemp, C., & Bader, P. (2004). Leader traits and attributes. *The nature of leadership*. (pp. 101-124). Thousand Oaks, CA, US: Sage Publications, Inc.