SURVIVAL: NIGERIA'S DILEMMA *

S.IBIAJAYI

*University of Ibadan,
Ibadan.*

Introduction

Social scientists are often open to attack for shedding light, albeit in a constructive way, on public policy issues. While social scientists do not claim monopoly of knowledge on public policy issues, what is not in doubt is that they infact have a great responsibility in shaping policies. It is therefore in the spirit of contributing towards a clearer sense of direction for the nation as well as in the spirit of oneness in the ownership of our corporate body — the state, that I shall attempt to examine some major issues today. Although we are severally geographers, political .scientists, psychologists, sociologists and economists, we are all individually political as well as economic men and women.

The past events in our country are important not primarily from a simple historical perspective but because they provide lessons and guidance for the future. Given our present predicament from all fronts and my training as an economist, I cannot but reflect on some of the myriads of economic issues staring us in the face. In the course of this, I therefore cannot think of a better topic for this address than *Survival: Nigeria s Dilema*. This would be analysed within the context of survival of Nigeria as nation, the survival of the nation in the community of world states and the survival of individuals within the nation. Although emphasis is on economic survival, it is, however, believed that politics and economic and indeed sociological factors may be inextricably interwoven in "survival" issues.

International Survival

Survival in the international economic system relates to seven basic issues. The first is the level of our external indebtedness and the payments thereof from declining resources. Between 1978 and 1983, Nigeria's external debt rose at an annual growth rate of about 38%. By 1983 the total external debt stood at 11,757.2 million U.S. dollars. Interest service ratio rose from less than 0.5 of 1% in 1974 to about 9% by 1983. The second is Nigeria's relative position in the comity of nations. In what manner is the country perceived? — A country that is credible or not? How can we induce private

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foreign investments? The third is the worsening terms of trade against developing countries which has become prominent in recent times. How can the trend be turned around to Nigeria's advantage? The fourth is the rising consumer price index which has been mostly above all of Nigeria's major trading partners. The issue of exchange rate adjustment which is not unrelated to the fourth factor is another issue on which our survival on international competitiveness is based. Past policies ensured the overvaluation of the naira. This has led in the past to cheaper imports relative to domestic products and encouraged importation in preference to domestic production in all facets including foodstuffs. Of course, in recent thirties one has been witnessing the falling rate at which the naira exchanges for two of its major trading partners' currencies — the U.S. dollar and the British pound sterling. Sixth, there is the issue of survival in the face of declining prices of oil, our present major source of revenue; and the dying cash crops which out to be revived through incentives and adequate pricing. The available data show that the real income of farmers has been falling. Lastly, there is also pressure from external sources to market in Nigeria what they think is best for her. Nigeria was not able in the past to insulate herself from these pressure especially at the time when oil revenue was said to be abundant.

National Survival

Since political independence about 25 years ago several aspects of Nigeria's survival have come to the limelight. The first of this is political. Not only has Nigeria fought a civil war to maintain the corporate state but has also witnessed political turbulence leading to various regimes (i.e, military/ civilian). There has been a change from a parliamentary system of government to presidential system both of which have been criticized as being inappropriate for the country. The search for a new order is continuing. Within the army itself there has been struggles for 'survival' within the top echelons culminating in a number of military coups. This has no doubt had some effects on aspirations and in some cases continuity of programmes.

The second aspect of the survival of the corporate state has to do with economic issues. Nigeria benefitted from the oil shocks of 1973/74, and 1979. The latter deceived the country into believing that all was not lost. The survival issues arising from there are too many to mention here. Suffice to mention a few. First, there was the ability to cope with the illusion of the unexpected wealth and the squander mania to which it gave rise and the paternalistic nature of government. The arrival of oil, on the scene altered the balance of power between the state governments and the Federal government, distorted jurisdictional power culminating in a strong federal centre and weaker state partners depending on the "strong and big daddy".

Given the low industrial base, lack of foresight and confusion about reasonable utilization of resources, Nigeria had to depend on foreign goods and services for survival. The aftermath of which was course sluggish domestic response.

The "crisis management" approach to economic policy of government

inevitably exacerbates the different aspects of survival. On the one hand, government sees the need to satisfy the masses and on the other, there are some of those, who, for personal gains, manipulate the preferences of government. This led to the emergence of a distinguished class of beneficiaries of government patronage. This phenomenon has given rise to a new terminology, 'pirate capitalism'.

Some years ago, some policy-makers conceived the idea of having car assemblies in Nigeria. The perceived objectives included savings on importation, making technological transfer possible, making cars available to Nigerians at reasonable prices. All of these have eluded us. Volkswagen and Peugeot cars have since not only been unavailable in desired quantities but the prices have been increasing at an uncontrollable rate. This cannot continue because of the conflicting nature of such policies and because they bring hardship to the people whose interest we want to protect.

First, there is the problem of inability to set priorities of want as well as the lack of financial prudence necessary to usher the nation into the era of better economic welfare for all citizens.- Not only were our perceptions distorted, there was an absolute loser of direction along developmental path. Second, surviving the mismanagement of the national economy is now the crux of the matter. This survival is from the perspectives of the nation and the individual. In a simple world of private enterprise, the law of survival of the fittest prevails. It is easy to see firms folding up when the going is rough. The aftermath effect of survival at the federal level has a spill-over effect on the viability of states that are now unable to meet the minimum functions of government which include payment of salaries (many of which are in arrears), and the provision of public goods.

The States versus Individuals

Given the 'states' dependence for survival on the Federal Government, and the inability of the latter to keep up, leading to the repudiation of some responsibilities, private individuals have therefore been thrown into a two-pronged dilemma. The first is the state's dependence on him for survival. This has taken and is taking, the form of rising levies (from individuals declining resources) and second the need for him to keep body and soul together in the face of declining real income and increasing uncertainty. The individual consumer suffers as a result of the "Dutch disease" which had afflicted the nation. These are unemployment, falling production and inflation to mention a few. The survival of the individual is dependent on his ability to cling to gainful employment which cannot now be taken for granted. The welfare of the individual is affected by the drastic fall in real income and the declining social services.

The private business sector (which can constitute an important investment sector) is not free from survival tactics. The private sector has to survive in an atmosphere not only of governmental changes and policies, but within the framework of stop-go policies that make planning ahead difficult if not impossible. Consequently survival involves not achieving the possible

potential but leaning against the wind of indifference so long as certain swings and changes in policy ensure a given (not necessarily satisfactory) but manageable level of income and employment. Attendant on government frequent policy changes, the private investor is interested in investments of shorter gestation period to ensure not only cost recovery but a reasonable amount of profit. Thus, survival for the businessmen involves diversification into investments of shorter maturity — mostly buying and selling rather than productive activities with longer gestation periods, better employment opportunities for the nation and reasonable profit for the investor in the intermediate run.

Coping and Getting out of the Dilemma

It has been necessary to sketch out in some detail these "survival" interactions not to emphasize the obvious fact that things are difficult from the average Nigeria. That is well known. But rather to underscore the fact that after darkness comes twilight. To those with biblical bent, there is life after death. The life after death is, however, predicated on goodness. It is the belief of some of us that at the end of the dark tunnel there is light. It is therefore imperative to ensure that the dark tunnel is short and the emergence into enduring light takes place sooner. Here comes the challenge to all of us first as individuals and as professionals, government functionaries, and others.

It is indisputable that we need to survive as a nation and individuals within that nation. It is also indisputable that there is a lot to be done before the economy can be on the right track again. It is counterproductive to continue to sulk over alleged mismanagement of the economy and continue to pass on the "buck" of non-performance. But rather we should brave up ourselves for the task ahead of us for a better tomorrow. Important lessons for a better tomorrow and what needs to be pursued vigorously have hopefully no doubt been learnt from our past. Measures to guarantee internal survival will go a long way to ensure survival at the international sector.

We must therefore realise that a part cannot be larger than a whole. The pursuance of policy should not be the result of the half thought-out dreams of someone in authority, but conscientious well-thought out articulation of popular yearnings of the population. They must not be rhetorics of the type we have witnessed in the past. Thus there is need for government to set out priorities in all aspects of resource allocation (foreign exchange, rural development etc). While government cannot do everything it must be perceptibly seen to be doing certain things for the welfare of its people. The best (and certainly the greatest) government is one that can provide in the greatest number, what the people want most.

Nigerians in wage employment now pay higher taxes as a result of economic emergency (economic stabilization tax, income tax). These are sacrifices that are being made by Nigerians (not necessarily voluntarily) in expectation of a better tomorrow. After a reasonably short span. Nigerians would be Interested in the judicious utilization of the money accruing from the taxes.

Thus, occasional account of effective fund utilization would not only enhance "credibility of Government but bring encouragement to those making the sacrifice.

Life is no doubt meaningless without the existence of basic essentials: drinkable water, electricity and hygienic environment. In some of our urban cities and the rural areas, the dry taps, the dark nights are not over. Water is basic to all human endeavour. Similarly, electricity is important not only for life but the development of ideas on which reasonable human existence depends. The call therefore is the need to set priorities now for development of water and light, ensure their availability and devise cost recovery processes in the reality of today's economic situation. It is sad that after 25 years of independence, incessant power failures, irregular to non-availability of drinkable water, are still the order of the day.

Brain power is certainly one of the ingredients of growth and development. There is abundant evidence to show that most of the developed nations have placed emphasis on it in order to attain their present level of development. The quality of education is important and Nigerians should be guaranteed a basic minimum education regardless of their state of origin, religion or income class. Similarly, if Nigeria is a single entity as we are often told there should be no difference in educational fees paid by Nigerians living anywhere in any state in Nigeria regardless of their state of origin. While the jurisdictional responsibilities for different levels of education can be shared among the existing tiers of government, there is need for a definitive operational guideline on minimum schooling age, fees chargeable and applicable in a given state for all Nigerians regardless of their state of origin. There is also need to review adequately policies relating to the availability of books in the country.

There has been talk in recent times about the change in school year for primary and secondary schools from its present time to what it was over a decade ago. Some of the so-called arguments adduced include the fact that having the school year from January — December will allow school children to assist their parents on the farm. Some have also argued that it will give enough time for JAMB to get its result ready for the university academic year. Additionally, some have even naively argued that University students can be gainfully employed (some in teaching) during the long vacation as it used to be in the past.

All these are no arguments because they missed the reality of the situation. Not only are jobs scarce now, those who are on them in some cases have difficulties getting paid. Where then is the job for undergraduates when infact graduates cannot find jobs? The agricultural argument misses the point in many directions the most significant being that of poor statistics. Part of the malaise afflicting our developmental and growth path is running away from problems instead of solving them. The recent thought on changes in the School Calendar is one of them.

In the process, we change our minds too frequently and as quickly as we encounter the slightest solvable problem without the benefit of studying in

details the different ramifications of such problems. We cannot grow or develop unless we learn by doing, and learn to solve problems as and when they arise. The disadvantages of a change in the school Calendar year are greater than any supposed advantages both in the short-and the long-run. I therefore call on the authorities to give serious thought to all the ramifications of a change in the school year. Let us not again plan or attempt to execute plans without adequate facts and statistics.

What should occupy our attention right now with regard to education (apart from those I have, already discussed), are: how can we improve the level of our technological or scientific education to achieve the desired agricultural revolution needed for feeding ourselves and our industries? How do we fund our institutions in order to derive the benefits of relevant research for our agricultural/ industrial development? These to my mind are the issues that need be addressed right now. The envisaged change in the school year is a non issue and should be discarded.

There has been talk of privatization in recent times. There is no doubt that this is a good idea in view of the fact that government has behaved like a man who treats his transitory income as permanent income and based his expenditures on this new income. The transitory income while it was large was spread widely and certainly too thin for any meaningful effectiveness. Government should in addition disengage from monopolistic control of some enterprises and allow for competition. It is not only ironic but shameful to see the scramble and chaos that attends catching a flight at various airports. Of course the services inspite of the high airport taxes are still very much below standard. The Murtala Mohammed Airport is the gateway to our country - the first impression of the country is gained at that entrance. Given the high taxes (N100 for overseas tax, N20 for airport tax), isn't it about time we ensured some degree of efficiency: that light is constant and the air-conditioning unit works. May be it is now time to consider other options for maintaining our airports!!

There is need for order in our lives as Nigerians. The slogans 'Buy Made in Nigeria' and 'eat Nigerian food' only make sense to the extent that these goods are available in adequate quantity and reasonable quality at reasonable prices. We should adopt instead the phraseology: "Made in Nigeria. The quality matters to me:" To survive and make progress therefore, efforts must be made to increase production in the first instance. Ensuring the reasonableness of quality should be taken up seriously by the appropriate governmental agency responsible for this assignment.

It is now time that appropriate laws be instituted for all organized markets to display price tags on their products in order to protect consumers stretching their falling real income a little bit further and price out Shylock business organizations that want to take undue advantage of the present situation.

The time has now come to review our contracts of Peugeot and Volkswagen plants. Nigerians are not benefiting in terms of availability both in terms of quantity and reasonableness of price of the final products. There is no technological transfer either. How can a Volkswagen car (bettle 1500) which

was meant as the car for the young beginner cost over N8,000 on the road?

The car assemblies are not the only ones whose operations are out of reality with what happens elsewhere, it is being used here as only one example amongst others of possible external pressures and evidence of our low bargaining power.

Data on collections from State Appeal/development funds demonstrate clearly that even though some governments may be bankrupt and/or broke, some private individuals are better off and certainly patriotic. It also demonstrates that these idle pockets of surplus cash can be put into productive use. One of the economic lessons to my mind which can be drawn from this is that if proper and certain governmental incentives are devised, these pockets of cash spread all over can be voluntarily invested in productive ventures that would be beneficial to the nation in all its ramifications. Such funds can only be meaningfully drawn out within the framework of properly laid out, *consistent governmental policies devoid of usual rhythm of one step forward today five backwards a year later if not total scrap page*.

The challenges to the social scientists are onerous. This is because the leadership role in any society is played in part by them. In a country like ours beset by economic ills at the present time, the role of the social scientists is critical. At this time the challenges to the social scientists in all classes — old and new brigades, are two fold. The first is that we must ensure that we portray to the public at all times what really we have been trained to be: an economist, a sociologist, a geographer, a political scientist' etc. The credibility of the profession lies in the absence of masks. As mentioned earlier, we as social scientists cannot claim to have a monopoly of knowledge and answers to all problems. The inputs, that are made by us must reflect purely our background and training and must be made with a high degree of dedication, patriotism and spirited scholarship.

Secondly, social scientists must not use their exalted position as adviser to government, head of institution etc. to further their self interests. There is need for a link with colleagues in the relevant profession and cordial relationship and link with the operators of the system; the civil servants. Success depends on these. Let me end up by saying "new ideas win a public and a professional hearing not in their scientific merits but on whether or not they provide a solution to important problems that the established orthodoxy has proved itself incapable of solving!" This is the Challenge in which the old order must coexist with the new ones for the survival of our economy.