Nigeria’s quest for economic development: effective leadership panacea

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Abstract
Nigeria is one of the Africa’s most populous state blessed with profound human and natural resources. Her potentials allow her to assert herself as an influential player among the committee of states. However, after 53 years of independence, Nigeria’s socio-political and economic development continues to dwindle as a result of inept political leadership which is regarded by many social and political commentators as the bane of the country’s economic development. The paper will trace the genesis of Nigeria’s economic under development to the inability of the political elite to provide effective leadership. Meanwhile using theories of good leadership as a reference point, the paper conclude by highlighting the positive and people oriented qualities which anyone aspiring for political leadership in Nigeria must possess.

1. Introduction
Leadership plays pivotal role in the existence and operations of every organized political system and this has resulted in leadership being an interesting subject of extensive study and discourse. The socio-economic and political development of any country, to a very large extent depends on the ability of its leadership to mobilize available resources and deploy them strategically to facilitate, entrench and sustain a viable society. According to Bass (1990), leadership is one of the factors that determine whether a group, an organisation or even a nation will be successful.

There are numerous theories on leadership but an element that is common to all of them is the notion that leaders are individuals who by their actions facilitate the movement of a group of people toward a common or shared goal. Importantly, good governance and its fruit of socio-economic development is a manifestation of committed, patriotic and disciplined leadership. There is no gainsaying that the dearth of effective leadership has increasingly become a dominant feature on Nigeria’s political landscape since the nation’s independence. Nigeria’s socio-economic development continues to dwindle as a result of ineffective leadership. Fifty four years after independence, Nigeria is still faced with threats of abject poverty that ravage over 45% of her population with a GDP growth rate of over 6% that has no direct influence on the standard of living of the citizens, increasing loss of lives and properties to insurgencies, and political instability that suggest imminent implosion of the country.

It is logically unbelievable and appalling that Nigeria, the so called “giant” of Africa still grope in the dark in search of direction for national development and good governance after over five decades of independence whereas her contemporaries have far overtaken her. Successive leadership since independence had in one way or the other lacked vision, most of them have been deeply engrossed with corruption and political bickering leading to perennial problem of maladministration and mismanagement of public resources, and consequently, stunted economic growth.

It is against this backdrop that this paper examines leadership and good governance crisis in Nigeria since independence with a view to providing alternative method and style of leadership that can enhance good governance and engender economic development.

Economic Development and Growth
Development can be simply described as the systematic use of scientific and technical knowledge to meet specific objectives or requirements. It can also be described as the process of economic and social transformation that is based on complex cultural and environmental factors and their interactions (www.businessdictionary.com). Economic development is a process whereby an economy's real national
income as well as per capita income increases over a long period of time. Here, the process implies the impact of certain forces which operate over a long period and embody changes in dynamic elements. It contains changes in resource supplies, in the rate of capital formation, in demographic composition, in technology, skills and efficiency, in institutional and organizational set-up. It also implies respective changes in the structure of demand for goods, in the level and pattern of income distribution, in size and composition of population, in consumption habits and living standards, and in the pattern of social relationships and religious dogmas, ideas and institutions. In short, economic development is a process consisting of a long chain of inter-related changes in fundamental factors of supply and in the structure of demand, leading to a rise in the net national product of a country in the long run.

The term 'economic development' is generally used in many other synonymous terms such as economic growth, economic welfare, secular change, social justice and economic progress. As such, it is not easy to give any precise and clear definition of economic development. But in view of its scientific study and its popularity, a working definition of the term seems to be quite essential. Economic development, as it is now generally understood, includes the development of agriculture, industry, trade, transport, means of irrigation, power resources, etc. It, thus, indicates a process of development. The sectoral improvement is the part of the process of development which refers to the economic development. Broadly speaking, economic development has been defined in different ways and as such it is difficult to locate any single definition which may be regarded entirely satisfactory.

According to Prof. Meier and Baldwin (1989); "Economic development is a process whereby an economy's real national income increases over a long period of time". This definition explains three ingredients of economic development: process, real national income, and long period. The discussion of these three factors would help in understanding the concept of economic development.

a) Process

The term 'process' here refers to the operation of certain forces which bring about changes in certain variables. Various types of economic changes take place during the development process. The most important of these changes can be broadly divided into two categories; (i) changes in the supply of fundamental factors, and (ii) changes in the structure of demand for the products. Changes in factor supply take place due to discovery of additional resources, capital accumulation, population growth, adoption of better techniques of production and institutional changes. Again, changes in the structure of demand for products take place due to changes in the size and composition of the people, changes in the level and distribution of income, changes in tastes etc. Hence economic development may be defined as development of factor, supplies and product demand. These changes bring about an increase in real national income over a long period.

b) Real National Income

Other things being equal, there is a positive correlation between the real national income and economic development. Higher real national income of a country is considered an index of higher economic development and vice versa. In brief, we can say that the real national income is the measuring rod of economic development. Though it may be an imperfect method for measuring development, it is, however, used for global development comparisons. Here emphasis is on the word "real" which signifies that purchasing power of national income should be taken into account for quantifying development. In other words, the money national income is to be discounted by the price index.

c) Long Period

Economic development refers to an upward trend in real national output over a long period. "Although the upward trend means that each successive cyclical peak and trough is generally at a higher level of real national output than the preceding peak and trough respectively, it is the increase in real national income between cycles rather than the increase within a cycle that denotes development". Since a major business cycle covers normally 6 to 13 years, long term process here refers to a sustained increase in real output over a period of at least 25 years. Thus, economic development is a process consisting of a long chain of interconnected changes in fundamental factor supplies and in the structure of demand for products leading to a rise in real national income over a long period.

**Nigeria Economic Situation**
Nigeria economy continues to struggle to leverage the country’s vast wealth in fossil fuels in order to displace the poverty that affects about 45% of its population. Economists have referred to the coexistence of vast wealth in natural resources and extreme poverty in developing countries like Nigeria as the “resources curse”. This is more widely understood to mean an abundance of natural resources which fuels official corruption resulting in a violent competition for the resources by the citizens of the nation. From 2003, to 2007, Nigeria attempted to implement an economic reform program called the National Economic Empowerment Development Strategy (NEEDS). The purpose of the NEEDS was to raise the country’s standard of living through a variety of reforms, including macroeconomic stability, deregulation, liberalization, privatization, transparency, and accountability.

Nigeria is a middle income, mixed economy and emerging market, with expanding financial, service, Telecommunication and entertainment sectors. It is ranked 26th in the world in term of GDP (Nominal : 30th in 2013 before rebasing, 40th in 2005, 52nd in 2000) and is the largest economy in Africa (based on rebased figures announced in April 2014). It is also on the Track to become one of the 20 largest economies in the world by 2020. Nigeria recently changed its economic analysis to account for rapidly growing contributors to its GDP, such as telecommunications, banking, and its film industry. As a result of this statistical revision, Nigeria has added 89% to its GDP, making it the largest African economy. Nigerian GDP at Purchasing Power Parity (PPP) has almost tripled from $170 billion in 2000 to $451 billion in 2012, although estimates of the informal sector (which is not included in official figures) put the actual number closer to $630 billion. Correspondingly, the GDP per capital doubled from $ 1400 per person in 2000 to an estimated $2800 per person in 2012.

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP ($)</th>
<th>US Dollar Exchange (#)</th>
<th>Inflation Index</th>
<th>Per capital income(as % of U.S.A)</th>
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<tr>
<td>1980</td>
<td>58</td>
<td>1</td>
<td>1.3</td>
<td>7%</td>
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<tr>
<td>1985</td>
<td>52</td>
<td>3</td>
<td>3.2</td>
<td>5%</td>
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<tr>
<td>1990</td>
<td>118</td>
<td>9</td>
<td>8.10</td>
<td>2.5%</td>
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<tr>
<td>1995</td>
<td>115</td>
<td>50</td>
<td>56</td>
<td>3%</td>
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<tr>
<td>2000</td>
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<td>2005</td>
<td>291</td>
<td>150</td>
<td>207</td>
<td>4%</td>
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<tr>
<td>2010</td>
<td>392</td>
<td>180</td>
<td>108</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>451</td>
<td>158</td>
<td>121</td>
<td>7%</td>
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Trends in Nigerian Leadership as it Affect the Economy

According to Ekaette, 2004 (in Ademola, 2008), leadership in public service have been engaged in reckless use of government properties and have been channels to corrupt practices (wasteful spending and looting). Consequently, the cost of governance has continued to escalate beyond imagination, arising mostly from the burden of providing basic amenities to public servants (i.e. accommodation, transport, medical service, utility services, fueling and maintenance of vehicles, etc.). The expenditure to these effects in 1997 was a recurrent expenditure of N258,563 billion, in 1998 rose to N278,097 billion, 1999 was N449,670 billion, 2000 was N461,610 billion, 2001 was N579,330 billion, 2002 was 696,780 billion, 2003 was N984,270, 2004 was N1.2 trillion and 2005 was N1.11 trillion. While capital expenditure was N269,651 billion; N309,015 billion; N498,027 billion; N239,450 billion; N438,700 billion; 321,378 billion; 407,362 billion, 582,301 billion respectively during the same period. Thus, while recurrent expenditure had steadily remained on the increase, the capital expenditure had not only been erratic but remained far lower. There is no doubt that the greater percentage of revenue ends up in recurrent expenditure at the expenses of capital expenditure, which is the bedrock of a meaningful development. Even at that, the extra looting through resource procurement and capital projects are unimaginable.

Comparatively, Nigeria public leadership may not be the most paid in the world, but it rank in the league of the highest paid among the most developed economies. For example, a cabinet secretary in the US (equivalent of a minister) earns an annual package of $157,000. The US, as the world’s biggest economy with a GDP of $13.78 trillions; using the 2009 exchange rate of N148 to one dollar, the Secretary’s pay translate into N23,236.000 as against a total of about N32 million accruing to a Minister in Nigeria.
with a GDP of $166.8 billion (2007 estimate). In Australia, treasury Minister or Canadian Secretary is rewarded annually as low as $102,682 and $67,000 – amounting to N15,196,936 or N9,916,000 respectively. In Ghana, a Minister annual earning is $38,400 or N5,683,200 without additional jumbo allowances of his Nigerian counterpart (Tell Magazine, No. 34, 2009).

Analyzing the expenditure incurred in the power sector over the years (1999-2007), the former Minister of State for Energy (Power), Hajiya Fatima Balarabe Ibrahim, states as follows: 1999, N6.697 billion; 2000, N49.78 billion; 2001, N70.927 billion; 2002, N41.196 billion; 2003, N55.59 billion; 2004, N54.49 billion; 2005, N70.39 billion; 2006, N72.393 billion; 2007, N61.10 billion. While the permanent secretary of the ministry, Dr. Abdullahi Aliyu, summarized the total sum expended in the power sector between 1999-2007 as $13,278,939,409.94; while Alhaji Ibrahim Dankwambo, then Accountant General of the Federation states that the budgetary allocation released to the power sector disbursed by his office, from 1999 to 2007 was N435,115,676,963 (equivalent of $3,718,937,409.94), and Engr. Joseph Makoju, former Managing Director of PHCN and once Special Adviser on Power to President Obasanjo, admitted that there were cases of mismanagement and bad eggs in procurement and marketing; he agreed that a lot of money went into power and accepted a share of responsibility for the sector failure but insisted that provision of electric power was quite costly anywhere in the world.

Thus the current development crisis in Nigeria can be attributed to a history of poor governance characterized by corruption and social injustice. This informed why Nigeria is in a state of socio-political instability due greatly in part to the pervasive poverty trends, as informed by bad governance. Significant proportions of Nigeria population live below poverty line. President Goodluck Jonathan, in 2008 (NASS Statistics, 2009) states “the challenges of poverty which affect more than half of the population and the growing inequality and increasing graduate unemployment remain worrisome. This is in spite of an average economic growth rate of over 6.0 per cent. The issues of growth without employment, growing inequality, high incidence of poverty and unabating employment crisis are some of the challenges facing the country”. The poverty incidence increased from 15% at independence (1960) to 27.2% in 1980 and 46.3% in 1985 but reduced to 42.7% in 1992, while by 1999 it increased to 65.6% and further reduced to 54.4% in 2004. Despite the huge revenue derived from oil, the poverty incidence has been on the increase in Nigeria. The GDP growth rate increased from 2.8% in 1989 to 6% in 2000, while poverty rate was 54.4% and the inflation rate stood at 13.7%. By 2009, the GDP growth rate stood at 7.22% while inflation rate was 11.2%; yet despite the significant increase in the GDP, there is no reduction in the number of poor people in the country. Thus, GDP growth rate is not enough to achieve a rapid and significant reduction in poverty, as unemployment remains high. It was estimated at 33.8% in 1999 and it increased to 36.6% in 2007 among youths (15-44 years). Poverty is widespread, severe and varies among the geo-political zones of the country. The extremely poor do not have access to food, shelter, treated water, good healthcare and basic education (NASS Statistics, 2009), and they constitute more than 38% of the country’s population.

A Critical Review of Leadership and Governance in Nigeria

According to World Bank study of Sub-Sahara Africa (1998), the problem of Africa’s development is crisis of government; the study affirms that because of the countervailing power that has been lacking, state officials in many countries including Nigeria have served their own interests without fear of being called to account. Politics becomes personalized, and patronage becomes essential to maintain power. The leadership assumes broad discretionary authority and loses its legitimacy. Information is controlled, voluntary associations are disbanded. This situation cannot readily support a dynamic economy.

According to Onigbude (2007) “regrettably poor leadership performance has remained with us despite years of complaints and grumbling. We have acquiesced in our own progressive destruction by submitting ourselves to the leadership of political misfits”. The leadership problem that has confronted Nigeria since independence is making the polity deteriorating.

There have always been justifiable expectations from Nigerians at the inception of every regime or administration. When past leaders were voted into power or when they bulldozed their way to power through coup de tats, Nigerians expected them to at least perform for the uplift of their socio-economic situation and create healthy atmosphere for realization of set goals and ambitions but unfortunately, what Nigerians have had over the years has been successive legion of hard-hearted and unresponsive self-seeking leaders who thrive on bribery, false promises, election riggings, violent takeover of government.
through coups and counter-coups, impious experimentation with the economy and unethical practices that have left the nation lying flat on its belly. Simply put, Nigerians have always ended up having all forms of strong and weak leadership which can best be described as fraudulent faces of the same obnoxious coin.

However, it is ironical that followers who are supposed to keep watch and midwife good leadership through democratic structures have lost their courage and vigilance to the tides of sharp practices as well. Bayo Afolabi (1995) captures is succinctly in rhetorical question; “is it not the masse that encourage their rulers to steal public fund? Do we not regard our leaders as failures if they get to power and refuse to get rich quickly? Can honest-but-poor politician ever contest and win in Nigeria?” When the so called masses expect to be bribed before they vote for politicians they are directly or otherwise digging their own mass graves! Illiteracy is no excuse. (Afolabi, 1995:25).

Osundare (2012) reinforced the above observation in a personality interview with TELL Magazine when he asserts that; “it is the common people who are followers that are used to rig elections; it is they that are manipulated one way or another. When rulers steal our money, it is they who go out to demonstrate for them”. This lends support to the saying that a people gets the kind of leadership it deserves. Leaders are strongest in the vices or virtues of their followers.

According to World Governance Indicators (cited in Onigbide, 2007), “Good governance is the process and institutions by which authority in a country is exercised; the process by which governments are selected, held accountable, monitored and replaced; the capacity of governments to manage resources efficiently, and to formulate, implement and enforce sound policies and regulations; and the respect for the institutions that govern economic and social interactions among them”. Good governance involves the totality of the exercise of authority in the management of a country’s affairs.

Good governance can also be linked to the extent which a government is perceived and accepted as legitimate, committed to improving the public welfare and responsive to the needs of its citizens, competent to assure law and other, and deliver public services within an atmosphere of justice. It is right to infer from the above idea of good governance that it is a fruit of effective leadership. Thus, effective leadership and its fruit of good governance which has eluded Nigeria since independence is the only means through which Nigeria can attain sustainable economic development.

Against this background, there is need to harness theories of good leadership as a guide to see how defining a new form of leadership can produce the economic development that Nigeria quest for. Perhaps this will also help to understand the deficiencies in past leadership and how to make up for such deficiencies in those prospective for political leadership in Nigeria.

Theories of Leadership and Good Governance

There abound several theories, formal and informal, technical and general of what constitutes leadership. However what is central to all the theories is the acknowledgement of the fundamental importance of leadership. Even the general theories of state formation and historical change, whether radical or liberal, in virtually all their strands, recognize that without leadership, there can be no transformation.

Within what has come to be referred as “Bass Theory of leadership”, there are three ways of looking at leadership. The first view of leadership according to Bass is the “focus group process”. This perspective locates the leader at the center of group actions and change. The leader represents the embodiment of the group. Chief. The second approach according to Bass is the “personality perspective”. This focuses on the traits and personal characteristics possessed by individuals. This view, otherwise known as “Trait Theory” parades such personal traits as honesty, integrity, firmness without rigidity, ability to articulate collective vision, capacity for initiatives, etc.

The third perspective looks at leadership as an act or behavior. In other words, leadership is all about what people do to effect change in any situation. It is also known as “Transformational leadership”. From the above perspectives which are not mutually exclusive, four strands of leadership are identified to be;
Leadership as a process;
Leadership as influence;
Leadership occurs in groups, and;
Leadership involves common goals.

Following from the above perspectives of leadership, Peter G. Northouse (2010:2) opines that “leadership is a process whereby an individual influences a group of individuals to achieve a common goal”. This is germane in grasping the role of leadership in any society.

From the perspective of process, one appreciates the fact that leadership is not just a trait inherent in the leader but instead it is a transaction between the leader and the followers which results to effect from both ends. This focuses on the integrative interdependence of the two parties. Unfortunately, this dimension of leadership is lacking in Nigeria hence the mistrust and gulf of understanding between leaders and followers in Nigeria.

Leadership as influence holds that a leader must affect his followers. Leadership is about the capacity to move people to action whether directly or indirectly, or both. In this perspective, one sees leadership as context-bound. A leader does not exist in a vacuum. The actions and directions taken by leaders are conditioned by the reactions and responses they get from the followers. Against this background, leadership occurs within groups. Both the process of leadership and the influence exists within specific groups. In Nigeria, there has always been experience of leaders whose actions and direction runs in opposite direction with that of the followers or worse still, followers who are totally alienated from the process of leadership.

Leadership as attending to common goals suggests that a leader attends to common goals whether he considers such goals good or bad, in so far as they are defined by the group which he is part of. The adjective “common” is used to designate the goals to emphasize that leaders and followers have a mutual purpose. It is this commonality of goal that confers legitimacy and acceptance on the leadership. This is not the case in Nigeria leadership as there have been cases of public revolt against government over policies that did not spring from wide consultation. Example is the fuel Subsidy removal in January 2013.

Nevertheless, there are certain factors that plays role in the emergence of leadership in any context and consequently determine the pattern of such leaderships. In the light of this, there are; emergency leadership/instant leadership, and transformational leadership. Instant or emergency leadership (which popular opinion describes President Jonathan’s administration with) is one that emerges without preparation to meet define goals. Such leaders usually lack the qualities required of under normal circumstances and as such takes a longer incubation period to mature. They are just product of emergency situation.

Transformational leadership otherwise known as enduring leadership takes longer time of gestation and preparation which results in its easy and long time acceptance and support by the followers (Ojudu, 2013:10). Individual qualities of the leaders also play important role in rich quality of this kind of leadership. Most leaders of this stock leaves behind good legacies that enjoys public reference even years after they must have died. Examples are; Nelson Mandela, Mahatma Ghandi, Obafemi Awolowo, Nnamdi Azikiwe, Lee Kuan Yew, etc.

Transformational leadership is inward looking without isolating its society from the global system. It assumes its ownership of the national and local problem depending on the layer of leadership, deploys intelligence, imagination and energy to lead followers to solve problems and enable followers unleash their hidden and untapped capabilities. This philosophy of leadership relegates embezzlement of public revenue, mismanagement and all forms of corruption because it truly acknowledge the strength of its operation as deriving from the collective acceptance and support by the followers whose welfare shapes its dream and vision. Leaders as a matter of necessity need followers and vice versa. This is the premise of effective leadership. This is what is lacking in Nigeria political landscape.

Another important aspect of the leadership perspectives that should be acknowledged in its subtlety is the fact that though ethics and morality are foundation of good leadership which humanizes the actions of governance, competence is as essential as ethics as well. Hence, in Nigeria’s quest for effective leadership, if technical capacity (competence) is sacrificed on the altar of ethics, the foundation of such leadership is endangered. It is the trio blend of ethical, moral and technical capacities that makes for excellent leadership.

In Nigeria, there have been cases of competent leaders with ethical and moral bankruptcy who failed the nation as much as morally-upright, and ethical ones who were obviously incompetent. Hence, in the
quest for effective leadership in this time of Nigeria’s dire need of such, there is no gainsaying that criteria of endorsement must be holistic.

**Recommendation**

To ensure effective leadership in Nigeria, the people (followers) must be the focus and beneficiaries of all government decisions and actions. Hence, the only reliable criteria to measure the economic development of the country must be tied to the changes in objective conditions of the people rather than impressive array of mere figures or other economic indicators. This leadership-followership symbiosis is cardinal.

There is also absolute necessity to promote virtues of transparency, accountability, justice, respect for the rule of law and tolerance as criteria for leadership positions. Little wonder corruption abounds in the country amidst EFCC and ICPC because human elements that will entrench the goals of these institutions have inclinations that are contradictory to the objectives of the bodies.

Transformational leaders with the needed technical capacity (competence) are what Nigeria need to make an economic leap. They will harness global trend in line with peculiar domestic situation to move the nation forward. This calls for intelligence and creativity.

Also needed in the country are courageous leaders who can take radical and progressive decisions/actions in the face of daunting challenges. The country is currently under siege from different kinds of insurgencies and unhealthy political cliques that push the country towards precipice of implosion. Nigeria need bold and courageous leaders to salvage the nation and save her dwindling economy.

**Conclusion**

This paper concludes by reminding all that the crisis of Nigeria is crises of effective leadership. In the early 1960s, Nigeria was at the same level of development countries now described as “Asian Tigers” but today Nigeria struggles to model her economy after these countries. South Korea, Taiwan and Singapore have gone way far ahead of Nigeria because they not only harnessed their national competencies to develop their economies but also strengthened their institutions to become progressive, productive, pragmatic, and people-oriented. These were born of hard and right choices.

Nigeria’s situation is not by any means a hopeless one. It will only take the same steps the “Asian Tigers” took to bounce back economically and politically. The right kind of leaders (who are ethically, morally and technically capable with people oriented-vision) should be discovered and chosen amidst the marauders presently parading the nation’s political landscape. Then with courage over persecutions from beneficiaries of the old order, they would reform the institutions of government to become productive, progressive, pragmatic, and people oriented.

Nigerian masses should de-emphasize their “victim mentality” and confront government policies and choices with a view of making sure that they are responsible and of public interest bearing in mind that people get the kind of leaders they deserve. With a leadership-followership symbiosis, the problem of ineffective leadership would be confronted and dethroned to pave way for economic development.

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