



## The Nigerian Political Economy in Transition

Sani Musa

February 2006

*The military handed over power to a civilian administration on May 29<sup>th</sup> 1999 with the inauguration of President Olusegun Obasanjo and 36 civilian state governors. Nigeria experienced direct military rule for 29 of its 45 years as an independent nation. At present, the emergence of retired generals in the political arena has marked the near total exit of populist politicians and political parties of deep ideological expression from the partisan political terrain.*

*Nigeria has a population of 133 million, a landmass of 923,768km<sup>2</sup>, a bountiful endowment in arable land, solid minerals and petroleum/gas resources. Nigeria has the appropriate credentials for greatness. But, mismanagement of the economy, lack of public accountability, insensitivity of the leadership to the yearnings and aspirations of the people, corruption and insecurity of lives and property have been the critical issues in the nation's life and public debate. Consequently low capacity utilization in the industries; inefficient and inadequate power supply; decay in the education and health sectors; galloping inflation; deteriorating value of the Naira against convertible currencies; unemployment and mass poverty characterized the Nigerian society and economy in May 1999 when the Obasanjo administration took over the reins of power.*

## **THE CURRENT POLITICAL SITUATION**

With the cost of a barrel of oil currently hovering between US \$50 and \$70, Nigerians expected a good standard of living for the citizenry, in terms of taking care of the basic needs of the majority by generating employment and income. The nation has never earned so much from the sale of oil as it does currently. But the economic policy of the Obasanjo administration is hinged on partial release of their capital votes to ministries, stashing away excess crude earnings, which stand at about US \$30bn (using it in debt repayment) and reducing overheads by retrenching workers. Incessant fuel price increases have their social consequences.

Consequently, the high hopes expressed by people in the beginning of civil rule in May 1999 after many years of military dictatorship are gradually giving way to general anxiety and political tension in the country. The schism within the ruling party, the PDP, between the President and the Vice - President and about the constitutional amendments proposed by the National Assembly have all been sources of anxiety for the Nigerian people.

### **Militarization of the Ruling Party**

There is a strong current and tendency in certain circles of public opinion that sees the PDP as having been militarized. The replacement of the Chairman of the PDP with Ahmadu Ali has created another round of problems for the party. Not even the re-election of the National Executive officers has helped matters. There are now factions in the PDP that are questioning the process of selection of these leaders and are wary that the objective is to use the party machinery for certain interest. There is accusation of militarization of

the PDP such that retired Military and Police personnel are in the echelon of the party. The checklist is as follows: Chairman of the Board of Trustees, a retired policeman, Chief Tony Anenih; National Chairman, a retired colonel, Ahmadu Ali; and National Deputy Chairman, a retired Navy Commodore, Olabode George. Democratic dissent can hardly be expected in such a militarized environment, more especially with a retired General as President of the nation and as leader of the party.

### **Obasanjo and the 2007 Elections**

In the past few months, President Obasanjo and his aides have tried to assuage the public feeling that the President hopes to over stay beyond 2007, ostensibly using a constitutional amendment, on which he may vie for a “new” term. The widespread public suspicion was reinforced by the clandestine circulation of a “draft” constitution to a select group of delegates at the National Political Reform Conference in Abuja. The source of the document is alleged to be the presidency. The secret manner in which it was circulated, its timing and the contradictory statements concerning its provenance have caused considerable dismay. Among the key issues contained in the document is the recommendation of a six-year single tenure for the president and state governors. The President’s supporters forcefully promoted the six year tenure at the conference. This raised curiosity about the President’s true motive.

All that the President and his aides have said, is that the President will not “violate the constitution”. The critical question is which constitution, the 1999 Constitution or its amended version? And even if the constitution is amended, should current incumbents and office

holders benefit from it? Skeptics of the motive for the constitutional amendment are saying that the amendment is the first stage in the Obasanjo – for – third – term campaign. Such a third term would then assume the status of a fresh or new term. The second stage would be to demonstrate the need for the President to serve another term, so that he can complete and consolidate his economic reform program. Hence at this time, there is claim that the president is doing very well and there is no need to change a “winning team”. The US\$18 billion Debt relief is lavishly show-cased as the main reason why the President should continue in power. What eventually becomes of this debacle will depend on a number of factors including the way the PDP primaries are organized and how the various factions within it are able to respond - by challenging the attempt and being victorious, by breaking away from the PDP and aligning or joining other political parties or by forming a new political party.

### **Assault on the Judiciary**

On June 21<sup>st</sup> 2005, amidst growing concern over the state of the Nigerian judiciary, the Chief Justice of Nigeria, Muhammadu Uwais, was accused in open court of accepting a bribe to pervert the course of justice in an appeal between Globe Motors and Honda Place. Globe Motors counsel, Ephraim Duru, claimed Uwais had been bribed with “12 or 13” Honda cars by the other party in the suit. The cars were allegedly intended for himself and the four judges hearing the appeal. Uwais chose not to charge Duru with contempt of court, perhaps to avoid accusation of orchestrating a cover-up, but vigorously denied the allegation.

The astonishing allegation has prompted counter-accusation of a campaign to not only force Uwais out of office but to

tarnish the reputation of the judiciary as a whole. This, some quarters claimed, was intended to undermine the Supreme Court on the eve of its ruling on whether the 2003 presidential election was free and fair. Frontline lawyer – activist, Gani Fawehinmi has called for an investigation into all the allegations, including the recent burglary at the Chief Justice’s Office, in which some papers were stolen.

### **Open Disagreement between President and Vice President**

The public verbal exchanges between the President and the Vice President have clearly demonstrated the nature of the division in national governance. The president stated during his monthly media chat that he doubts the loyalty of the Vice President. The public feeling is that, apart from the Third term thesis, the President is merely discrediting the Vice President in order to put him in public ridicule and to provide a fertile basis for his alleged self-succession bid. However, whether his criticism is correct, genuine or merely self-serving is yet another issue. Only time will prove the truth or veracity of what is currently happening between the two power players.

### **ECONOMIC OUTLOOK**

The government announced that Nigeria has struck a deal with the Paris Club of creditors for the Club’s US \$35bn debt to be cancelled if the nation paid US \$6bn immediately and another \$6bn in a debt buy-back package. But it must be realized that this deal is only for Paris Club Creditors. There is still the debt owed to the London Club. The deal is conditioned on “Nigeria’s willingness to conclude a Policy Support Instrument (PSI) as soon as this new instrument is approved by the board of the IMF” and that, “This Agreement would be phased

in relation with appropriate IMF review under the PSI<sup>1</sup>.

### **Social Implications of Debt**

#### **Repayment**

Nigeria has paid the sum of \$12bn dollars in one financial year, thus substantially reducing the accumulated foreign reserve obtained as a result of the oil windfall. The other implication is, that the Paris Club had justified the debt forgiveness on the ground that monies will be freed for provision of social service and infrastructure in Nigeria - and the 2006 Budget has appropriately reflected this. However whether there will be strict compliance with disbursement and genuine social service delivery is quite a different matter. At present the nation has over \$30bn in foreign reserves, enough to finance imports for almost two years. Globally, the standard practice is to keep enough reserves to finance three months of imports. By holding huge amounts of reserves, the Nigerian government is merely lending the money to the international economy, whilst such monies could indeed be plunged into social service delivery.

#### **The Petroleum and Power Sector**

The Nigerian National Petroleum Corporation has been involved in Joint Venture projects with foreign multinational corporations. Through its activities, especially the DPR, and its Inspectorate unit, it supervises the government's investment in the oil joint ventures. Successive leaders undermined the NNPC to such an extent, that the three major refineries in the country were forced to shut down, due to neglect and in spite of the billions of Naira

invested in their Turn Around Maintenance (TAM). In most cases the TAM were re-contracted to other firms in situations where earlier firms contracted to do the TAM failed to deliver and no punitive measures were taken against such firms that defaulted. The result was that Nigeria began to import refined oil and paid reigning international prices for it. This led to soaring prices of petroleum products locally resulting in social unrest and demonstrations, led principally by the Nigeria Labour Congress and its civil society allies, euphemistically called Labour Civil Society Coalition (LASCO). To be sure, domestic prices of petroleum products are determined by the unstable international oil market.

In May 2005, the Power Holding Company of Nigeria (PHCN) emerged from the erstwhile National Electric Power Authority (NEPA) to oversee the privatization of the nation's electric power supply sector. In the first quarter of 2005, less than 2000MW was generated, even though the government had spent N68bn on capital projects in the sector. This had affected industries and the economy in a big way. In 2003, according to a survey, the average firm affiliated to the Manufacturers Association of Nigeria, suffered 14.26 hours black out each day. With this development, alternative sources of power supply, through private generating plants was sought, and this has impacted on overheads, turnover and general productivity and capacity utilization. Indeed, Nigeria has become one of the world's leading markets for small generator units. But these alternative power supplies are very expensive and impose extra costs, which make it hard for home-grown goods to compete effectively in the world market.

---

<sup>1</sup> PRESS RELEASE: PARIS CLUB CREDITORS AGREE IN PRINCIPLE ON A COMPREHENSIVE DEBT TREATMENT FOR NIGERIA, 29<sup>th</sup> June 2005  
[www.clubdeparis.org](http://www.clubdeparis.org)

There is anxiety over the privatization of NEPA. It is feared that power supply can be overpriced and hence it will not reach some 73 percent of Nigerians who are not connected to the National grid or any thermal station. The debate is whether power supply should be considered a social service or a purely profit making venture. First, there is fear that power privatization will go the same way as the deregulation of the downstream oil sector which has seen the petrol pump price increased several times, over the last six years. Against this background, Nigerians expect domestic energy prices to increase substantially. Second, there is doubt whether the 2007 projected 10,000MW supply target – based on the expectation that existing demand can be overshot by a comfort margin – is achievable.

### **Downsizing in the Civil Service**

The Nigerian government has embarked upon a civil service reform that is based on monetization of fringe benefits and downsizing of the public sector service by about 40 per cent on the justification of the need to cut on waste and inefficiency of most ministries and departments. But, the implications of the implementation of these measures have not been properly factored into the policy. Downsizing the public sector will force many people into unemployment, and yet the private sector has low absorptive capacity as a result of the harsh economic realities in the country. There is also the problem of ability to pay the gratuity and other entitlements of those to be retired or retrenched in the public sector. The amount of money involved is heavy for government to accommodate in one fiscal year. Worse still, there is the fear that the policy of downsizing the civil service may indeed become a weapon for victimization and the pursuit of personal vendetta.

### **Privatization of Public Enterprises**

The aim of the privatization of public enterprises is to make those enterprises operationally efficient and economically viable without any subsidies from the public treasury. Many key public enterprises are today in various stages of being privatized. The process of privatization is being criticized for lack of transparency in most of the transactions. The system is being accused of corruption, because many politicians and serving public officers are said to have vested interests or to be behind those firms that buy up the public enterprises. The enterprises are also sold at ridiculously cheap prices, and competitive firms are either politically excluded or choked up by the Bureau of Public Enterprises (BPE) through its bureaucratic machinery. More importantly, even public enterprises that are operating efficiently, and that are viable and profitable are being privatized and auctioned. As a result of this people have questioned the *raison d'être* of the entire program.

### **Liberalization and Trading Competitiveness**

Government's deregulation policy has resulted in the systematic devaluation of the Naira against convertible currencies. It has also engendered a high interest rate regime. The treasury bill rate is 5%, while the minimum rediscount rate is 13% - a difference of 8%, whereas the prescribed rate in a normal economy is a maximum of 2%. Applying the WTO protocols to further liberalize trade has also left the Nigerian economy open and vulnerable to unfair trading practices from international competitors.

### **NEEDS in Need of Consistency**

The Millennium Development Goals (MDGs) and the Nigerian Economic Empowerment and Development Strategy (NEEDS) focus on infra-

structure as one of the key areas that require massive investments. The reason being that infrastructure ensures the consistent harnessing of sectoral linkages in the economy for efficient resource utilization. According to a 1993 World Bank report on Nigeria's energy sector: "At the core of the poor performance of these (Nigerian) enterprises are inappropriate investment strategies, politically motivated interference by the government in enterprise management; grossly inadequate, regulated prices for outputs...; lack of maintenance and poor operational practices; inadequate compensation levels of mid-level staff; and government mandated gross over staffing"<sup>2</sup>.

Thus, at the core of the government's policy as contained in the NEEDS program is the need to have sound and stable sector policies; clear legal and regulatory framework; transparent licensing and competition rules; strong, competent, independent regulators; predictable and liberalized tariff regime; investment incentives – fiscal and monetary; and a stable macro-economic environment. If these programmes are implemented there will be a real turn around for the better.

### **The Emergence of Mega Banks**

The Central Bank of Nigeria (CBN) declared that any bank wishing to operate in Nigeria must have a minimum capital base of N25bn by December 31<sup>st</sup> 2005. This sent many banks scouting for additional shareholders through public and private placements. Talks of mergers and acquisitions went on among banks. In the end 14 banks were unable to meet the minimum recapitalization requirement and as such the CBN took them over. It is widely

---

<sup>2</sup> Energy Sector Management Assistance Program (ESMAP), UNDP – World Bank, 1993.

accepted that the emergence of strong banks through recapitalization is good for the economy. However, it is estimated that about 50,000 people will lose their jobs in the banking sector as a result of the recapitalization process.

### **Positive Development in the Telecoms Sector**

On a more positive note, there is a great revolution going on in the telecommunication sector. From less than 700,000 lines six years ago, the GSM world wide growth has rubbed on the Nigerian telecoms as there are about 10 million lines now in operation, even though the efficiency and cost of these services still require some improvement. The launching of an earth observation satellite, Nigeria Sat-I is also another positive development as it marks the first satellite ever built and operated by a black sub-Saharan African nation. However, the bidding process of the state-owned telecommunication outfit, NITEL at less than ¼ of the amount invested in its overhaul –over a Billion US dollars, has made the President of Nigeria to ask for another round of bidding.

### **SOCIAL CONDITIONS**

The profound economic crisis of the country, caused and compounded by mismanagement of resources at all tiers of government, over several administrations, population upsurge, alarming influx to the cities, unplanned and inadequate urban development, corruption and unemployment, particularly among the graduates of tertiary institutions have in no small way undercut the social policy of the Obasanjo administration.

The 2005 United Nations Development Programme (UNDP) Human

Development Index (HDI)<sup>3</sup>, indicates that average life expectancy in Nigeria has dropped from 51.6 to 43.4 years between 1999 and 2005! The country is ranked 158<sup>th</sup> out of 177 in terms of poverty. With a per capita income level of about US\$300, Nigeria is today one of the 20 poorest countries of the world, even though it is the 13<sup>th</sup> largest oil exporter! And with this level of per capita income, as many as 70% of Nigerians (about 91 million people) fit the classification of the 'poor' in 2004. This is up from about 40% in 1992 and 27% in 1980.

Several factors acting alone and in combinations, have caused poverty in the LDCs, which include Nigeria and other Sub-Saharan African (SSA) countries. They include the following:

- Low savings and investments
- Weak institutions of governance
- Poor infrastructure and structural weaknesses in the economy
- Low incomes outstripping high population growth
- High external dependence
- Political and social instability which manifest in social strife
- Lack of technological capacity to deal with environmental challenges like disease epidemics, floods, drought, pest outbreaks etc.
- Adverse effects of globalization in terms of capital flight vis-à-vis inflow of capital. Capital flight stock in Nigeria is estimated at US \$100bn – more than twice the size of Nigeria's GDP.

HIV/AIDS and other devastating common diseases such as malaria are further cutting the lives of the active workforce of the nation. Hunger,

---

<sup>3</sup> UNDP HUMAN DEVELOPMENT REPORT NIGERIA 2004.

malnutrition and adverse effects of poverty are eating deep into the nation's population. Although government statistics show an improvement in social indicators, the reality on the ground and figures released by competent international organizations tend to contradict the claims of the government

### **Domestic Petroleum Price**

Nigeria is the only OPEC member country that incessantly increases the domestic price of fuel. The increase in September 2005 is the sixth since Obasanjo came to power. With the break up of central labor organization through legislation, the Nigerian Labour Congress is now weakened in terms of its ability to galvanize mass resistance against government social programs that are perceived to be inimical to the expectation and lives of the toiling working people.

### **Combating Corruption**

The country's poor socio-economic profile is often blamed on pervasive corruption at all levels of the society. The Obasanjo regime started well in dealing with the corruption menace. In fact, the establishment of the two important institutions, the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC) to tackle corruption is a step in the right direction. So far, the efforts of these institutions have attracted mixed reactions. It is believed that they could achieve better results if they were properly equipped and given free hand to operate. It is believed that the two agencies are uncomfortably tied to the apron strings of the executive branch of government, and that at times they are manipulated in order to intimidate and witch-hunt those people perceived to be in opposition to the President or his policies. This is even more so as there are indications that the

executive branch may want to cow political opposition in pursuit of an alleged hidden agenda of staying in power outside the constitutional provisions.

## **BENCHMARKS OF NATIONAL SECURITY**

### **The National Headcount**

The planned 2006 National Census is delicate and politically volatile. It must therefore be carefully handled, as any attempt to upset the current precarious balance in the federation to give undue advantage or favor to any section of the country may trigger chain reactions with dire consequences. Already, there is anxiety in many parts of the country over the next national census exercise. Population has both political and economic implications for the people of Nigeria, as it is the basis of constituency delimitation in the States Houses of Assembly as well as the Federal House of Representatives, while at the same time forming a significant part of the variables used in the revenue sharing formula among the various tiers of government.

### **Free and Fair Elections**

Prior to the passing of the new Electoral Act into law, the Independent National Electoral Commission (INEC) Chairman, Prof. Maurice Iwu, stated that regardless of the provision of the law, INEC will use electronic voting in the General Elections in 2007. He had also stated that INEC will not welcome election monitors in 2007. It is also under his leadership that INEC refused to go to the Court of Appeal to contest the verdict of the Anambra State Electoral Tribunal, and defend its declaration of Chris Ngige as Governor of Anambra State. The Commission admitted rigging

the polls and said the result should be cancelled for fresh polls. The basis for this strange admittance is unclear, it is however believed that it may be associated with the fractional in-fighting within the state's PDP, which has a faction opposed to the Governor led by Chris Uba, a party stalwart, alleged to be close to the top echelon of the PDP, which is enthusiastic at edging out Governor Ngige.

### **Ethnic Militias**

The Obasanjo administration had set out by reprimanding the unlawful activities of the irredentist Yoruba militia, the Oodua Peoples Congress (OPC), which maimed and intimidated Nigerian citizens particularly in the South West. This has rebounded in a demagogic form in terms of ethnic clashes in other parts of the country, particularly in the north. Violence now took ethno-religious dimensions. However, due to various forms of mediation and intervention, there has been calming of nerves.

There has been a strange phenomenon of political assassinations to which no clue or solution has been found. Those politicians killed cut across the political spectrum. And the fact that government is yet to satisfactorily address these murders including the assassination of the country's Attorney General Bole Ige, A. K. Dikibo, the Vice Chairman of the PDP for the South-South region, is a serious cause for concern.

The endless wars in the oil-rich Niger Delta have assumed a new dimension when there was armed rebellion against the government led by Alhaji Mujahid Dokubo-Asari in 2004. There are still armed militia groups operating in the Niger Delta. The agitation by the Movement for the Actualization of the Sovereign State of Biafra (MASSOB) has similarly assumed a new dimension



with the hoisting of Biafran flags in many towns in Igbo states as well as the use of defunct Biafran currency in some of these areas as means of exchange. Government has arrested and is currently trying both Dokubo and the leader of MASSOB, Ralph Uwazurike, in a High court in Abuja. They have both been refused bail, along with some of their alleged members. They are being charged with treason and felony. The agitation for self-determination and resource control by the people of the oil-rich Niger Delta and Igbo land have serious political consequences and as such should be treated with some measure of sensitivity. The influence of ethnic warlords such as Dokubo, Ganiyu Adams and Ralph Uwazurike may heat up the political process and result in extra legal agitations by their supporters. The consequences of this may be quite legion.

### **The Question of Power Shift**

The question of which region produces the next President in 2007 seems to attract more passion each day. The North, regardless of party affiliation, holds the view that after Obasanjo, the Presidency should rotate to the North. Some parts of the south are also agitating to have a go at the nation's leadership. There are three interpretations of the power shift phenomenon. The first is that power rotation should be seen between the North and the South, as two regional blocs. This is the view of the Northern ideologues. The second is that there are three zones-the North, the West and the East, and therefore that both the North and the West have tasted power while the East is yet to have a go. The notion of the East here is used to cover the entire Eastern region. In practical terms, however, it is used to focus the Igbo. Hence, the political elite of the Igbo ably led by Ohanaeze Ndigbo is urging for an

Igbo President in 2007 claiming that the Igbo are not only being "marginalized" but "punished" for their role in the Nigerian civil war (1967-1970). The third view is that which views the country as being divided into six geo-political zones: North-west, North-east, North-central, South-west, South-east and South-south. The South-south elite, almost wholesomely made up of minority ethnic origin, alleged domination by the other three dormant ethnic groups viz, Yoruba (west), Hausa (north) and Igbo (east). Their claim is that all these three dominant ethnic groups have produced Presidents and Heads of state that have ruled Nigeria. Here they also count Nnamdi Azikiwe, an Igbo who was Nigeria's ceremonial President in 1960-1966, as having ruled Nigeria. They therefore claim that it is only the south-south that is yet to produce a President, hence it is their legitimate right to produce the next President in 2007.

However, as a result of the near unity of the northern power elite over the need for power rotation back to the north, a Southern Forum has emerged, which proposes that the next president in 2007 should come from the East, comprising the south-east (Igbo) and the south-south (oil-producing ethnic minorities). This modification, which seems to be the strongest political current, is also stating that the west and the north have had a shot at the Presidency and that a chance should be given to either the South-south or South-east. This view, which seems to be acceptable to the elite of the south-south in the South-South Assembly, is indeed a modification of the earlier stand of the Assembly with respect to their view that it was the turn of the South-south to produce the next president. The implication of this new thinking is that once either of the South-south or South-

east produced the next President, power will then rotate back to the north.

To be sure, the ruling party, the PDP is caught napping in this matter and remains fairly uncertain on how to react to it. However, what it has done as a remedial measure is to invite all its state Governors and urged them to desist from regional, ethnic and factional appeals about power or rotation in the next dispensation. This has not assuaged the activities of the various groups across the divide urging for power shift either to the east or the north. Additionally, there is no political party that has a position on "power shift", although some of them, particularly the PDP has ground norms on party zoning of posts. This makes it all the more complex how the various political parties should respond to this challenge. It is obvious that the uncertainty about the interest or lack of it, of President Obasanjo in running as president in 2007 has indeed made the leadership of the PDP a little cautionary in its pronouncements on the power shift question.

### **State Governors and Arbitrariness**

Collectively, the 36 State Governors wield enormous power and influence. They, in most cases, control the party machinery in their respective states and have demonstrated their ability to intervene in crises on numerous occasions. Most of these governors are serving their last constitutional tenure and are thus contemplating their future political fortunes. The ambition of these governors as well as their effective control of both state and local governments have been quite strategic for their pecuniary and political interests. They are in almost total control of their respective Houses of Assembly and State Independent Electoral Commissions (SIECS).

### **The Corruption Monster**

Corruption is at an all time record high. State Governors who enjoy local constitutional immunity are being arrested outside the country for alleged money laundering. Ostentatious and immodest living standards of many elected and appointed public officials who, in most cases, did not have any visible means of livelihood prior to their assuming the reins of power have set bad standards for the nation. Little wonder Nigeria is still ranked by Transparency International among the three most corrupt nations in the world.

### **Environmental Degradation**

The problem of environmental degradation has serious consequences for the majority of people who are poor. The felling of trees for firewood as a result of the high cost of kerosene will soar. Desertification, de-vegetation and deforestation, oil spillage and other destructive activities of multinational companies are gradually making Nigeria unsafe for human habitation. All these have implications for livelihood and life expectancy.

### **TRENDS AND SCENARIOS**

To put the entire discussion in perspective and to project around them, there are four possible scenarios which the processes leading to the Presidential election in 2007 may result in:

#### **The First Scenario: Continuity of Obasanjo**

It is envisaged that Obasanjo may continue in office but with widespread political consequences. The government may arm-twist or cajole the public. It will blur the widening differences between key factions and actors within the ruling PDP. This will impose stresses and strains on the political system. In this first scenario, violence may be

widespread as a result of the action of President Obasanjo to remain in power. Tensions will be high and certain power brokers will be compromised. A faction of the international community will be highly disenchanted. An argument made in government circles is, that there is need for continuation of the government's economic reform program, and that the best way to ensure continuity of this program is for the patriot who initiated it to continue in office. This is the first stage towards setting the stage for constitutional amendment to allow for another tenure for the President. The allegation being, that the constitutional amendment is merely met to legalize the attempt by President Obasanjo to remain in office.

However, if constitutional amendment proves difficult, Obasanjo's option, it is alleged, is to start an internal conflict which will make election impossible and his continuity in office for many more years inevitable. He may generate conflict with neighboring Cameroon over the pending Bakassi debacle and invoke section 64 sub-section (2) of the 1999 Constitution, which states that:

"If the Federation is at war in which the territory of Nigeria is physically involved and the President considers that it is not practicable to hold election, the National Assembly may by resolution extend the period of four-years mentioned in subsection (1) of this section from time to time but not beyond a period of six months at any one time"<sup>4</sup>.

The United States is alleged to be, at worse, indifferent and at best well

---

<sup>4</sup> Constitution of the Federal Republic of Nigeria 1999.

disposed to the continuity of Obasanjo in office. The US National Intelligence Council Report released in March 2005, however states inter alia, "The most important (decline) would be the outright collapse of Nigeria. While currently Nigeria's leaders are locked in a bad marriage that all dislike but dare not leave, there are possibilities that could disrupt the precarious equilibrium in Abuja. The most important would be a junior officer coup that could destabilize the country to the extent that open warfare breaks out in many places in a sustained manner. If Nigeria were to become a failed state, it would drag down a large part of the West African region"<sup>5</sup>.

### **The Second Scenario: Handing over to Another Retired General**

The second scenario envisages that Obasanjo may respect the constitutional provisions of both the ruling party and the nation so that he may decide to organize elections and hand over to a next government peacefully. Many politicians are desirous of having a civilian, as opposed to an ex-military personnel, as the next president, but the reality on the ground is, that it will be very difficult to discard ex-military men from the nation's political equation in the near future. Indeed, in the true spirit of military *esprit de corps*, President Obasanjo may be paving the way for the emergence of either General Ibrahim Babangida, an ex-military President of the country who helped him and remained loyal to him throughout his stay in government and out; or his National Security Adviser, General Aliyu

---

<sup>5</sup> NATIONAL INTELLIGENCE COUNCIL Conference Report March 2005: Mapping Sub-Saharan Africa's Future [http://www.cia.gov/confreports\\_africa\\_future.html](http://www.cia.gov/confreports_africa_future.html)

Mohammed Gusau, who did a lot to ensure that the reins of power were assumed by Obasanjo in 1999 and who has been helping to stabilize the country through his enormous domestic and international intelligence networks and contacts; or the young, experienced and highly educated ex-military Governor of Lagos and Borno States, General Buba Marwa, who apparently enjoys a lot of goodwill across the country especially among the youth. Obasanjo may wish to hand over to an experienced military officer with knowledge of security because of the enormity of the nation's problems and the precedence set in more advanced democracies that elect people with experience in military and intelligence matters.

### **Third Scenario: Outright Regime Change**

The third scenario envisages that the emerging splinter and opposition groups such as the Movement for the Defence of Democracy (MDD), Movement for the Restoration of Democracy (MRD), Alliance for Democratic Change (ADC) and the Conference of Nigerian Political Parties (CNPP) will coalesce to form a formidable political bloc and attempt to defeat the pro-Obasanjo group in the Presidential election in 2007. The candidate of this group may or may not be Atiku Abubakar, but the Vice President may play a key role in whoever eventually emerges as the Presidential candidate of this latter group.

In this third scenario also, Obasanjo may attempt to infiltrate the opposition groups and try to take over and produce a pro-reform candidate who will be acceptable to the group. Such key members of the new economic management team euphemistically called the technocracy, which includes people such as Nasiru El-Rufai, Nuhu Ribadu, Ngozi Okonjo-Iweala may be

propped up by the president and backed appropriately to emerge as the next president of the nation. The objective of a generational shift and continuity of the reform agenda would have been met and the intention of continuing the Obasanjo legacy would have been guaranteed. But it will be difficult for both the military and the political class to accept this option.

### **Fourth Scenario: Breakdown of the System**

The fourth scenario is certainly the most cataclysmic in that it foresees anomie or the breakdown of the social and political fabric of the nation. Apart from the fact that there will be chaos, anarchy and widespread violence brought about by political, economic and social factors, there may be more killings of prominent leaders which will bring about total disorder. There may be more assassinations and attempted assassinations of the leading political contenders for power in 2007. Social services will deteriorate just as insecurity of lives and property will increase. The Nigerian system will tend towards collapse and a failed state. Warlords will take over. The Nigerian military which still sees itself as the custodian of the nation's sovereignty may be forced to intervene, establish order, organize a quick surgical operation and hand over power to truly elected civilians within a short time.

### **CONCLUSION**

After almost five decades of achieving political independence from the British, Nigeria is still battling with the most basic needs for an acceptable human development framework. With all its acknowledged endowments, both human and material, Nigeria's socio-economic growth has been painfully

slow vis-à-vis other countries with similar social and economic profiles. The decline into poverty by a vast majority of Nigerians, and the miserable social indicators of the country have not been impressive. On top of this is the level of corruption, in spite of various state measures to curb it, and above all the looming political uncertainty that is systematically overwhelming the country.

Despite the nation's claim to democracy and democratic rule since 1999, the country has so far failed to measure up to the basic tenets of democracy. The political parties, especially the ruling parties viz the Peoples Democratic Party (PDP), the All Nigeria Peoples Party (ANPP) and the Alliance for Democracy (AD) are bedeviled by intra-party crises. The crises have arisen because of the refusal of the party leaderships to respect their own party constitutions, the due process and party discipline.

For most of the last six years, the working relationship between the three arms of government has been most unsatisfactory. This has been politically costly to the national development efforts, as budgets are not only delayed but the Appropriation Acts hardly faithfully implemented by the executive. Nigerians are today cynical if not skeptical about their country's judiciary, especially in terms of its integrity and independence. Judgments are fairly predictable in disputes between litigants, especially if highly placed political actors are involved. The conclusion of Nigerians is, that a lot more work needs to be done to safeguard the independence and integrity of the country's judiciary. Without the strict application of the rule of law it will not be possible for democratic institutions to survive, let alone thrive.

In sum, there is need to rethink the relationship between the executive and legislature, the role of the judiciary, the activities of political parties and politicians and the future of Nigeria's democracy. It is only in the context of this holistic approach that a logical framework for ensuring a stable polity can be fashioned or put in place.

**The Author:**

Sani Musa is a Research Fellow based in Abuja, Nigeria

**Ansprechpartner:**

Uta Dirksen  
Tel.: 0228-883-590  
[Uta.Dirksen@fes.de](mailto:Uta.Dirksen@fes.de)

Sabine Matambalya  
Tel.: 0228-883-577  
[Sabine.Matambalya@fes.de](mailto:Sabine.Matambalya@fes.de)

Friedrich-Ebert-Stiftung  
Referat Afrika  
Godesberger Allee 149  
53175 Bonn  
Tel.: 0228-883 590  
Fax: 0228-883 623

