

NIGERIA. SOCIAL ENGINEERING for ECONOMIC DEVELOPMENT

ENFORCING ECONOMIC PROGRESS IN NIGERIA

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Introduction

There are many facts about the Nigeria nation that are impressive and many would agree should lead to even more impressive outcomes for her. Facts such as Nigeria being the nation with the largest population in Africa, with, (according AFDB (2015)) a middle class of 23 percent of her population who are well educated with 92% of this middle class having completed a post secondary school education. This powerful group of consumers is demanding quality goods and services and should be the foundation of a market-oriented economy. Nigeria is the 13th largest producer of oil in the world with the 10th largest proven oil reserves in the world. Nigerian immigrants to the United States of America have the highest levels of education in the nation, surpassing whites and Asians. This fact is supported by research and Census data conducted by in Rice University (2008). The facts above certainly point towards Nigeria being a country with the intellect, population and money for being at least a world economic power. An “enigma” is while there are very many good and exciting things about my fellow Nigerian people, a reality is that “Nigeria is one of the poorest and most unequal countries in the world, with over 80 million or 64% of her population living below poverty line. This is a fact asserted by the United Nations Development Assistance Framework IV (UNDAF IV) in 2016. UNDAF IV (2016) goes on to explain that the situation is increasing. Poverty and hunger have remained high in rural areas, remote communities and among female -headed households and these cut across the six geo-political zones, with prevalence ranging from approximately 46.9 percent in the South West to 74.3 percent in North West and North East. Youth unemployment, which is 42% in 2016, is very high, creating poverty, helplessness, despair and easy recruiting ground for crime and terrorism. Over 10 million children of school age are out of schools with no knowledge and skills. This is a painful and embarrassing fact for well meaning Nigerians to swallow, and was hard to notice till the obvious on going recession.

Well meaning Nigerian economists and philosophers are asking themselves why in almost 60 years of self rule Nigeria, has not even come close to her potential of socio - economic development? When one considers the fact that one out of every five persons of African origin is a Nigerian, then the answer to the question above takes on an even more sensitive and important significance for the true socio economic development in Nigeria and Africa. In further exacerbation of the scenario, in 2016 alone Nigeria lost its place as Africa’s largest economy, fell into a bitter recession, is reported to have lost over 100 billion dollars of FDI and her currency lost over 40% and counting of its value. While it is impossible to address all Nigeria’s economic woes in the few pages of this article, the aim here is to briefly identify and share highlights of the fundamental issues in the author’s opinion, that need

immediate change if true and tangible progress is to be achieved in Nigeria's economic development.

Social Engineering.

Social engineering is a discipline in social science that refers to efforts to influence particular attitudes and social behaviors on a large scale, whether by governments, media or private groups in order to produce desired characteristics in a target population. At the heart of most of Nigeria's social and economic woes are unscrupulousness, misconduct and lawbreaking constantly perpetrated at different times by a different collection of some citizens against Nigeria and her laws, in spite of written consequences spelt out in the law. This simple fact must be taken into consideration in the formulation and implementation of any strategy or policy aimed at correcting any or all of Nigeria's economic and social problems. Enforcing the law equally across all levels of Nigerian society against unscrupulousness, misconduct and lawbreaking is imperative if Nigeria will make planned and significant economic development. It is also critical for social engineering to be executed to achieve the goal of imbuing a culture of rigorous indigenous scientific research that would guide the formulation of policies and their implementation. Such indigenous scientific research is needed to determine what policies to formulate, to have a homegrown understanding of why a policy was formulated, to know when and how implementation is best executed, to know what to expect during implementation, and to have a previously simulated response to possible reactions during implementation. This is equally logically imperative if Nigeria will make planned and significant economic development. Deliberate efforts to influence or change particular attitudes and social behaviors on a large scale in Nigeria, in order to produce desired characteristics for socio economic development is a fundamental foundation for Nigeria's success in achieving her potential as a developed nation.

There should not be more than one foreign exchange rate in Nigeria.

Nigeria has an economically unhealthy dependence on foreign imports for the "normal" flow of day-to-day life. Therefore the ease or difficulty at which foreign goods can be imported has a deep impact on daily life for most Nigerians. The foreign exchange rate for the Nigerian currency has a direct impact on how easy or difficult it is to import goods. It also determines to a significant extent the prices of many goods "manufactured" in Nigeria, because much of the so-called manufacturing process in Nigeria is dependent on imported raw materials. The Nigerian currency the Naira has lost much of its value, the difference between the official rate and the black market /parallel market rate continues to grow alarmingly. Nigeria implements a multiple foreign-exchange rate system. With this type of system, a country has more than one rate at which its currency is exchanged. In this context The Nigerian economy has been divided into many different segments, religious pilgrims, manufactures, government officials, commercial banks, bureau de change outfits, petroleum product importers etc...each with its own foreign exchange rate, importers of certain goods "essential" to an economy may have a preferential exchange rate while importers of "non-essential" or luxury goods may have a discouraging exchange rate. It is a mechanism by which

governments can quickly implement control over foreign currency transactions.

A system of multiple exchange rates may seem good, but it has undesired consequences. Favored industries will not necessarily reflect their actual needs because its performances have been artificially inflated. On the other hand a logical instrument for dealing with economic shock and inflation is to allow a full depreciation, which should bring stability to the foreign exchange market. Nevertheless, most developing nations such as Nigeria are faced with constraints such as essential imports that must remain protected.

In Nigeria there are additional negative consequences owing to a multiple foreign-exchange rate system. In a parallel market where the vast majority of Nigerians get foreign exchange, a sabotaging amount of the foreign currency obtained from the CBN at lower official rates illegally finds its way to this parallel market to be sold to the vast majority of Nigerians at a rate up to 40% higher. This is known as round - tripping. The author stresses that with the nature of the Nigerian economy today the crime of round tripping represents a huge complication and impediment to recovery of the economy let alone its advancement. Round tripping must be recognized as the barrier it is and be eliminated. To do this, the author contends that Nigeria must urgently implement a single foreign exchange rate for the economy. Implement and enforce it for all. This will pave the way for the economy to perceive the positive effects of other economic policies such as tariffs and bans on certain imports.

Manufacturing and Production in Nigeria.

A fundamental and foundational error occurs in the manufacturing and production sector of the Nigerian economy. Where factories and production plants have over the years been allowed to set up in an unbeneficial manner to the economy. Permitting any factory setup for production in Nigeria in a manner where the essential raw materials needed must be constantly imported, has been a big recurring mistake obvious today as we see that the manufacturing industry rather than being a good source of foreign exchange income is instead a huge source of demand for it. Therefore it significantly contributes to the weakness of the Naira and a barrier to economic recovery today.

There are no quick fixes here. Any factory that cannot manufacture a product by processing raw materials readily available in Nigeria does not belong in the Nigeria of today's circumstances. For example, it makes no strategic sense that there is much pressure and demand for foreign exchange for the purpose of the importation of triple concentrate tomato paste used as raw material by local manufacturers to produce "tomato paste" in Nigeria. Triple Concentrate Tomato Paste is made with dehydrated fresh tomatoes to produce a concentrated paste that has a fortified tomato taste. In other words, the "tomato paste industry" in Nigeria mostly demands foreign exchange in order to import tomato paste into Nigeria just to can it! The mistake in this is clear. There should have been strategic guide towards the setup of tomato dehydrating to paste factories before or along side the permitting of tomato paste canning factories. This mistake is found and replicated in most of what is called manufacturing in Nigeria! While much has been said about the

negative impact of importing “non essential “ goods, the author contends that it is the importation of the so called essential raw materials that inflicts even heavier damage on the Nigerian economy. Nigeria’s inability to produce or process its own raw materials for basic commodities such as sachet water, shoes, medicines, clothes, paper etc...is a major factor for Nigeria’s continued economic woes and under development. The reasons for Nigeria’s inability are culturally Nigerian. This exemplified in unscrupulousness, misconduct and lawbreaking constantly perpetrated which has begotten mediocrity and incompetence in planning, executing and enforcing what is obviously necessary for true progress and development. The author argues that unless Nigeria is socially engineered away from this current culture, it is difficult to see Nigeria realize its true economic and developmental progress. Therefore the practical findings from research in methods to process natural resources into raw materials used to produce medicines, paper, clothes, sachet water, plastics etc, must be strategically given and spread wide into business sectors - SMEs by the authorities. Policies and incentives that ensure the spread of processing methods and knowledge to businesses nationwide end up as commercially viable businesses producing and manufacturing in Nigeria must be enforced to realization.

The National Image, the Nigerian brand

Nigeria must note that the kind of competition countries are facing now in their internal markets as well as international markets has made it imperative for them to apply product branding methods to their towns cities and nations. Nigeria is being left behind in this context. In order to truly attract meaningful levels of tourism, foreign investment and exports, we must create, control and manage the brand Nigeria. This is a view shared by Ali & Chaudary (2015), Kotler & Gertner(2002) and Olins (1999) where it was explained that countries will be managing their own identities and the process will be considered perfectly normal, a successful brand is considered an imperative national asset of the country in the context of economic development and prosperity. On the other hand Van Ham (2001) defined an unbranded state as a country, which finds it difficult to plan, control and attract strategic, profitable and beneficial economic attention from the rest of the world. This is Nigeria’s circumstance, which it must consciously move away from. The author asserts that we must align research and implement strategic efforts to improve the identity and image of the nation through the application of strategic management. A view advocated in Anholt (2007). Nigeria must be socially engineered and marketed to Nigerians and the entire world!! Then Nigerians will buy Nigerian products...then local investors will take more advantage of opportunities and FDI will be easier to attract! Nigeria’s branding must be a strategic part of the social engineering, which the author maintains is needed in the country. The population must understand and buy in to new and positive attitudes, culture and behaviors because Nigerians must live the brand. The positive Nigeria brand must be real. This is in line with strategic management theory that explains that a good product is always in the heart of a great brand. A great people of Nigeria must be at the heart of the great Nigeria Brand. Nigeria’s intangible assets have never been set to work for her socio economic development and prosperity; Nigerians are in part living the consequences of the absence of robust strategy for deploying her positive intangible assets to work for her prosperity in a harmonized and productive way.

Determined visible, equitable-impartial enforcement and implementation of rules and law.

The author agrees with Buscaglia (1999) which asserts that when law is modeled to fit the growth of an economy and its people, expectations are streamlined, cooperation between people is enhanced, resources are used innovatively, creatively and efficiently. On the other hand necessary conditions for economic growth are hampered by uneven and inconsistent application and interpretation of rules across a population. Clear and consistent definition and enforcement of the law across all stratum of a population will logically lead to investments, entrepreneurial innovation and economic transformation in a developing country. Further more, and critical for attracting foreign direct investments and large infrastructural loans, Orr & Ulen (1993) argue that a government that visibly executes the upholding of rights of property and agreement enforcement equitably across all stratum of society, not only provides a basis whereby partners in economic transactions can trust each other; it also reinforces a perception that such a government itself can be trusted to transact honorably and to meet its contractual obligations.

Note worthy for Nigeria is as Nandini et al (2012) explain, for manufacturing to thrive towards remarkable economic development in a state, everyone local and foreign must perceive that the rules are enforced equally for all. The author asserts that the law, rules and regulations associated with or guiding commercial activity in Nigeria must be researched to reflect “buy in” from the Nigerian population, for Nandini et al (2012) is also in agreement with the author that nations and economies that adopt the rules of another economy will experience different and unexpected performance owing to different informal norms and enforcement. It should be clear to all observers now that relocating the formal political and economic rules of successful Western economies to countries such as Nigeria in the developing world is not adequate condition for good economic performance.

The solutions explained above are not abstract, they are real and executable within visionary political will. Their essence is not new. Therefore as long as there is hope that such ideas will one day be implemented in Nigeria, there is hope that Nigeria will one day achieve her potential for herself and the African at home and diaspora.

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