PERSPECTIVES

# Global Economic Trends: The Options for Nigeria


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In the leading economies of the world – the much touted G.8 countries, we see economic devastation, deprivation and uncertainty. In the so-called developing world to which we belong we see the continuing march of poverty, ignorance and disease. In the United States, Japan, United Kingdom, France, Germany and the nations of the European Union, we have seen contraction of their economy of 2-5%, the collapse of banks (in the U.S. alone, at the last count, 52 banks closures have been announced), mortgage closures and financial crisis, record unemployment levels and a worsening credit crunch.

The governments of the United States, United Kingdom, Germany, France and Japan have been forced to pump unheard sums of money into the economy, in what has been termed 'stimulus packages' of unprecedented dimensions. In the case of United States, a package of USD 700 billion is envisaged, and there is talk of more! Even the global power house called 'China' has seen for the first time in thirty years, the deceleration of their economic juggernaut. There is uncertainty and fear in many lands. It is against this background of pervasive pessimism that we have to attempt to tease out some understanding of what is going on, and hopefully, use this understanding to peer into the future for the world economy, and specifically for our situation in Nigeria. What we see, it has been claimed, is an unprecedented crisis for capitalism in the market place in the age of globalisation.

### Globalisation and the Origins of the Crisis

Over the last thirty years, a major transformation has taken place in the structure and pattern of economic relationships between nations, geopolitical zones and the multinational corporations of the major industrial nations. Driven by the new and awesome technologies made possible by the convergence of computer technologies, telecommunications and the internet, a new regime of fast paced communication and instantaneous transfer of massive bundles of information was inaugurated. Millions of transactions and billions of dollars could be transferred from one country to another, across thousands of miles of land and sea, across international borders and across time zones, at the touch of a button. This brought with it a new regime of 24-hour business cycles, in which new inter-linkages and new inter-penetration strategies amongst nation-states became the new order. With it came new business opportunities and strategies. This led to the phenomenon of outsourcing and the relocation or co-location of manufacturing plants thousands of miles apart on different continents in the search for lower costs, cheaper labour and more efficient production. The age of globalisation had arrived, driven by the power of instantaneous communication and new competitive business strategies. It was a new order in which global events often spawned local repercussions, while local incidents could often times be amplified into global sequela with unexpected and unintended consequences.

With globalisation came a new spirit of competitiveness between nations and between companies. In this new climate of competition in the pursuit of higher profits, lower cost, greater production, higher productivity and greater efficiency, it was easy for transactions to be driven by impersonal relations and thus, to de-emphasise the traditional ethical but human values of trust and confidence that under-girded business transactions. In this new climate of competitiveness, new inequalities as well as a widening of the gap between the rich and the poor became even more evident between nations, and between individuals within a nation. In this new global environment driven by technological change, the perception and appreciation of the quantum and quality of work juxtaposed with the rewards and incentives for honest labour became less than precise or just or fair in their definition. This bred a new relativity in the apportionment of just and fair rewards and the ethical considerations that would normally drive business. In such circumstances WorldCom, Enron, Kenneth Lay and Bernard Maddoff become the emblems of the new jungle of modern business. It was against this background of sloppy accounting and less than ethical business practices that venerable institutions such as Arthur Anderson, the then leader in consultancy and accounting, vanished even as the leaders of the automobile industry such as General Motors and Chrysler teetered on the edge of bankruptcy.

What is more, given the pre-eminent and dominant position of the United States as the consumer society whose consumption drove not only American business but also the economy of other nations around the world including that of China, it was easy for the contraction of the economy of the United States with the credit crunch that it spawned to be exported. This was necessarily so because in an average American Mall or supermarket, it was usual to have garments imported from a variety of nations – China, Indonesia, Honduras, Thailand, Sri Lanka, Bangladesh etc. as also toys and other electronic goods and computer games from China, Taiwan, Japan etc – even computers and their components were imported from a variety of sources – Singapore, China, Taiwan etc. Indeed, in the new age of globalization, the final product of the manufacturing industry of many nations could consist of components sourced from up to five different countries. Given the speed of transportation, even flowers, fresh fruits and other farm products are ferried across thousands of miles of land and sea to new markets in the United States and Europe.

Such diversified supply chains enhance the integration of the financial systems and Stock Exchanges in the United States, Japan, South Korea, and the European nations – United Kingdom, France, Germany, Spain etc. Thus, it became routine for a fall in stock prices in New York to be immediately reflected in a fall in stock prices in the stock exchanges of London, Paris, Frankfurt, Tokyo, Seoul and Bombay. So when Lehman Brothers and J.P.Morgan, venerable and historically significant banking institutions in the United States experienced liquidity and credit challenges, this was immediately transferred to the banking halls in London, Frankfurt and Tokyo. And Moscow was not immune. This was the first signs of the recession and credit crunch that within weeks had devastated the mortgage markets in the United States and Britain, brought major industries to their heels, and ultimately was the genesis of the global meltdown that has engulfed the global financial system. It is perhaps pertinent to point out that at the time that Lehman Brothers collapsed, its assets exceeded its liabilities. So why the contagion with its tsunami effects in the economies of the developed world? The answer lies in the very human fact that given the ethical excesses of the banks and financial institutions of the Western world over the years with their creative accounting, the loss of trust and confidence which the collapse portended spread fear, uncertainty and hysteria throughout the major financial centres of the world. Once more, the underlying human and ethical values which under-girded the capitalist system but which had been undermined was dramatised. It also demonstrated once again that the scientific laws enshrined in the chaos theory with its pertinence to the behaviour of large systems and exemplified in the principles of epidemiology applies with uncanny precision in the realm of financial systems and the canons of capitalism.

**A Snapshot of the Nigerian Economy: Structure and Challenges**

Currently, Nigeria is a monocultural economy dominated by the extraction of crude oil with, at this point, very low refining capacity. Oil, as of 2008, contributed over 50% to the GDP, 85% of government revenues, 99% of all exports but only 4% of employment. Agriculture, on the other hand contributed 42% to the GDP and 65% of all employment. On employment within the economy, we should note that sources within the Nigerian Labour Congress estimate current unemployment level to be as high as 35%. We should also note that Nigeria has 68 million hectares of cultivable land with 35 million hectares currently lying fallow and 3.14 million hectares being irrigable. Clearly, Nigeria suffers from the under utilisation of its resources. This is underscored by the fact that while we are the sixth largest producer of crude oil, our refining capacity currently is near zero with four non-functional refineries and all petroleum products are imported. In comparison, Norway which is a little bigger than Lagos State has 55 companies in petroleum refining with over 70 functional refineries. Despite our vast agricultural potential, food imports stood at more than USD 3 billion as of 2008. In both the petroleum and agriculture sectors of the economy, there is no value addition to our resources because we lack the scientific and technological capacity to process the raw natural resources in our environment.

In the power sector, it has been claimed that the installed generation capacity is up to 7000MW of which 6000MW should be available for distribution. But latest figures suggest that less than 2000MW are presently available. On transportation, the total road network is 195,000 Km, of which 30,500 Km are federal roads, 31,570 Km state roads and 132,800 Km are local council roads. While 90% of all human and goods transportation are by road, less than 20% of all roads are motorable. Both the railways and the inland waterways are currently dormant. Our capacity for shipping is currently insignificant.

The cost of doing business is rated very high with multiple taxes, graft, low productivity and low efficiency. With the massive infrastructure deficit enumerated earlier, it is no surprise the World Bank rates Nigeria 108 out of 178 countries on the ease of doing business survey. The Nigerian economy is clearly uncompetitive, being rated by the World Economic Forum at 88 out of 117 in its 2007 Global Competitive Report. Given the virtual collapse of the Nigerian education system – low enrolment at all levels, lack of facilities to pursue modern education, low capacity for science and technological innovation reflected in the low internet penetration and generally low ranking in ICT (Information Communication Technology) except for the fast rate of cellular phone expansion. It is not surprising that the UNDP in its latest (2008) Review of World Development through its annual Human Development Index ranks Nigeria 157$^{th}$ out of 177 countries. So we are the 20th country in development counting from the bottom! Despite our much trumpeted fight against corruption, Transparency Internat-ional ranks Nigeria 147$^{th}$ out of 178 in its latest International Index of global corruption. With regard to the macro economy, the inflation rate stands at 15% and seems primed to rise; the exchange rate has risen from ₦118 per USD in the 1$^{st}$ quarter of 2009, to ₦153 in the 2$^{nd}$ quarter. All indications suggest that exchange rate is headed northwards. In the meantime, interest rate in the Nigerian Money Market has crept up from 18% at the beginning of the year to the current 25-30%. Oil prices have plummeted from the record of USD 147 per barrel in July 2007 to USD 40 by the 1$^{st}$ quarter, although it has crept up to nearly USD 70 in the 2$^{nd}$ quarter. Thus, the oil market continues to maintain its reputation as fragile and volatile.

Capacity utilisation in Nigerian industries, which contributes less than 5% to the GDP has plummeted from a relative high of 50% in 2007 to less than 40% in the 1$^{st}$ quarter of 2009. In any case, over the last two decades, Nigeria has been in the grip of de-industrialisation. The Manufacturers Association of Nigeria reported recently that by June 2009, 857 factories closed their doors to business since the current economic crunch with loss of 600,000 jobs. The factory closures are nation wide – 159 in the Ikeja/ Isolo axis, 140 in the Kano area (Sharada/Bompai), 119 in the Oyo/ Ondo/Osun/ Ekiti region and 114 in the Anambra/Enugu/Ebonyi area. MAN estimates that another 1000 factories are on the verge of collapse with a further loss of 100,000 jobs and loss of ₦800 billion in assets. Up to 1997, the textile industry, which was only second to Egypt's, had 250 factories with a market share of 20%, nearly all of which are now closed. Thus it has been an unremitting tale of economic regression. It is against the background of these dismal statistics that we must judge Nigeria's potential to weather the global economic storm and continue a credible development trajectory. Recently, in its Global Development Finance, 2009, Report the World Bank observes that

> *"…because of the financial market fragility, net private capital inflows, remittance inflows from migrants and*

*investment inflows to developing countries (including Nigeria) had continued to decline….”*

Despite this litany of unfavourable statistics, official circles have continued to exude confidence and optimism on the prospects of the Nigerian economy in the face of the global recession. The former Governor of the Central Bank had assured at the initial appearance of the early warning signs of the global recession, deriving from the crisis in the United States economy that the Nigerian economy would largely be unaffected by the global turmoil. This assurance was given in spite of the fact that oil prices, denominated in dollars were falling, remittances from Nigerians in Diaspora, which accounts for up to USD 1-2 billion inflow into the economy will reduce drastically even as the credits to Nigerian banks by United States and European banks were being recalled and equity funds, which had invested in the Nigerian Capital Market in its boom time of 2006-2007 were bound to de-invest. We now know better, namely, that in the midst of a global economic epidemic that afflicts our world in the age of globalisation, there is no hiding place for any economy. In the midst of these portents, the Chief Economic Adviser to the President has projected a GDP growth rate for Nigeria of more than 20% per annum in the run up to 2020, made up as follows: Improvement in power supplies –5%, Implementation of Gas Plan – 3%, Road Programme – 4%, Railways Programme – 3%, Agriculture Reforms – 3%, Restoration of Security in the Niger Delta 3-4%, and Land Reforms – possibly 4% (?). The reality, however, is that economic management does not respond with easy facility to cookery book prescriptions. Growth in an economy is built on improving competitiveness and productivity. The Nigerian economy at this point is neither competitive nor productive and there are no obvious plans for the micro-economy, which can be the basis for improved competitiveness. The Chinese, even at the best of times never achieved more than 13% GDP rate of growth in the last thirty years of their phenomenal growth.

**The Challenge of Nigerian Development: The Intellectual Debacle.**

What is evident in all that has been said so far is that Nigeria's performance in the race for development has been less than satisfactory. Many attempts have been made to explain the basis for this deficiency: some historical, social or cultural. For example it has been suggested by Walter Rodney and Chinweizu that a past history of colonialism and the after-effects of the slave trade had pre-disposed Africa, including Nigeria, to a pattern of dependency and under development. After nearly fifty years of post-independent existence, this historical argument should by now have worn thin – there has been enough time given the requisite leadership for us to strike out boldly in new directions and overcome whatever obstacles that were in our way as the Asian nations have done. On the other hand, Otonti Nduka has suggested that the deficiency was to be found in the inherent features of African traditional thought. As he observes:

*"…African traditional thought, though not lacking in logic of some sort is suffused through and through with magic and mysticism …. the western system of thought is by and large scientific while African traditional thought is non-scientiific ….scientifically oriented cultures share with open societies… the adoption of a critical attitude towards beliefs, theories and customs….since the Renaissance the west had been busy developing….a tradition of questioning what is traditional ….African traditional society lacks this tradition of reflective and critical thinking and has, therefore, developed a rich variety of philosophies but failed to develop critical philosophy…. scientific knowledge is the paradigm of the type of knowledge the mastery of which is the basis of the evolution of a developed industrialized society. Science is knowledge which has been obtained largely through observation and experimentation and has been subjected through a many-layered epistemological filter. Mathematics is crucial in this respect….mathematics is the universal language of size, shape and order…..a society's grasp of the language of mathematics is a fair reflection of the increasing precision of its control over nature…..as Hogben has observed the history of mathematics is the mirror of civilization…."* In response, we may note that the nations of Eastern and Southern Asia have been able to dispose of the incubus of their traditional system of thought, to march into the age

of scientific and industrial culture as sign-posted by their fast-paced industrial development. So there must be some other explanations for our current malaise of economic under-development. That the search must be broadened is underlined by Professor Nduka's conclusion:

*"…a cardinal characteristic of a scientifically oriented society is appeal to reason rather than authority and tradition not only in the acquisition but also in the application of knowledge …the (developmental) gap is traceable….largely to the limitations….of the systems of thought characteristic of traditional societies in general and of Sub-Saharan African societies in particular….Sub-Saharan African societies cannot escape the prevalent poverty, ignorance and disease without radical changes in the intellectual and other foundations of such societies"*

It must be stated that the views of Nduka have empirical resonance in the sense that in the 20th century, no country in Europe, Asia or America had been able to drive its development trajectory into positive territory without a transformation of its science-engineering-technology system. This suggests that Nigeria has been stuck in the quagmire of underdevelopment through our incapacity to develop our science-engineering and technology system.

**The Social Environment of Development: Virtues and Values**

It would seem obvious from what has been said so far that while the social environment and predominant culture in a society may predispose such a society towards development, the values and vision embedded in its leadership ethos may also be relevant, as recent scholarship in the social and management sciences have demonstrated. In other words, the transformation of the pre-scientific traditional framework of socio-cultural thought and interaction into the scientific and technological idiom of the 20th century – which was christened the Scientific Age – and the early years of the 21st century – the Age of Globalisation, is a necessary condition for participation in the competitive world of the global economy. This is germane because science, engineering and technology (SET) drive the engine of economic growth through the facilitation and enhancement of production, the increase of productivity in agricultural and industrial systems and the propagation of innovation in the economy. This translates into value addition to products and processes with consequent benefits in the growth of the Gross Domestic Product (GDP) and the growth of the GDP per capita. It enhances also the egalitarian and democratic tendencies in the society to the extent that merit, fairness and justice in the distribution of the fruits of development are pursued, such that the income distribution in the society is generally more equitable as reflected in the Gini-coefficient. Hence, SET drives wealth creation in the direction of the emergence of a more equal and prosperous society with social justice.

There are values which are relevant to the pursuit of ethical wealth creation process. This was recognised by Weber in what he christened the 'Protestant Ethic', to which he ascribes the role of motive force in the emergence of capitalism. Those who studied the economic rise of the Asian tigers have had to accept the existence of what they called the 'Confucian Ethic' to the successful emergence of these fast-paced economic growth models. The early studies of the process of industrialisation and economic growth in Western Europe, United States and Japan had led the sociologists and economists of development to envision this process to consist of a sequence of stages, which they had assumed to be the same for each industrialising economy. Walt Rostow suggested that economic history consisted of "a sequence of stages rather than merely as a continuum, within which nature never makes a jump…." With mainly the United States economy as model, he recognised five stages of economic development beginning with the traditional society followed by the following stages:

- the phase for fulfilling the preconditions for take-off;
- the phase of take-off;
- the phase that initiates the drive to maturity;
- the phase that ushers in the age of high mass consumption; and
- the phase beyond consumption.

The motors that drove this development, in his view was technology, savings, entrepreneurship and the right political system, or as we will say these days, good governance. As he put it *"leading sectors (of the economy) are determined not merely by the changing flow of technology and the changing willingness of entrepreneurs to accept available innovations : they are also partially determined by those types of demand which have exhibited high elasticity with respect to price, income or both…."*

Because Rostow accorded a place of importance to technology, he also saw education as an important enabler in the pursuit of economic progress

> *"….education…broadens and changes to suit the needs of modern economic activity. New types of enterprising men come forward – in the private economy, in government, or both ….willing to mobilize savings and to take risks in pursuit of profit or modernization. Banks and other institutions for mobilizing capital appear. Investment increases, notably in transport, communi-cations and in raw materials in which other nations may have an economic interest. The scope of commerce, internal and external widens. And here, and there, modern manufacturing enterprise appears, using the methods (or technologies)…."*

As noted earlier, the values of industry, frugality and discipline were necessary for the development of industrial capacity in the Protestant North European nations. It has been suggested that because Confucian beliefs place a high premium on such values as hard work, loyalty, respect for authority and punctuality; these values facilitated the national consensus for accelerated economic development through industrialization, evident in Japan and the other East Asian countries. However, in the light of the acceleration of technological change as a result of the convergence of a variety of technological innovations, various pathways to industrial development became evident such as to occupy a niche for the production to specification of finished consumer goods, which are then exported or to occupy a niche as a component supplier to capital and technology intensive industries located elsewhere. The result was that you could choose, as South Korea did, to develop local conglomerates the *chaebols* that produced to specification for export while progressively upgrading their technology level through research, transfer of technology and contract manufacturing, or as in Taiwan, to develop thousands of relatively small enterprises specialising in the production of components for computers and other high technology products once again for export. Brazil chose a mix of high technology niches and clusters of competitive manufacturing. Often these enterprises have to develop collaborative arrangements with major suppliers in the United States or Europe with whom they could share technological information. Over time, the more enterprising and proficient of these enterprises can innovate and compete. In other words, in the dying days of the 20th century, a proliferation of technical and business models for industrial development became feasible, thus generating a competitive environment for engagement in the global market. Some, like India, went beyond manufacturing into the service sector. It led to a multiplication of strategies and opportunities for industrial development in developing countries, while diversifying the choices and the particular point in the supply chain that a small to medium size enterprise in a developing economy would choose to engage. This created a dynamic and competitive system, which was open and accessible for easier entries and exits. Obviously, in such a system, the sequential model of the earlier times as proposed by Rostow et al, was clearly inapplicable and inoperable. What emerged was a dynamic system marked by interlocking matrices of action points and clusters of activity, instead of the sequential progression model. Nations could, by a sagacious and daring choice of strategies leapfrog their industrial development. Skills and expertise were the drivers for fast paced economic development in many an emerging economy. Expectedly, education and the quality of education available to the workforce became an issue as the major available competitive tool. What is more, the ability to adapt to changes, the capacity to transform the mind set of the leadership and of the people into the can-do mode, and the capacity to nurture an enabling environment suffused with the transforming and new psychic architecture that accepts competition, recognises and exploits opportunities and can engage emerging situations with passion predisposes the society for success. It is a social milieu peopled "by expert copiers, interpreters, simplifiers and adapters of technologies, products and services created elsewhere by others….” But they must have energy, passion and ingenuity. The nearest to this model in Nigeria was Aba of the 70’s and early 80’s. As the motto in a Chinese Economic Development Zone proclaims “Each person does the work of two; two day’s work is done in one “Thus, in these enterprises productivity is key to success. Clearly, the new globalised world is a competitive world of challenges, often verging on crisis, but also a new world of opportunities. At this point it is pertinent to ask the question: In this new environment what does the future portend for Nigeria? What are Nigeria’s options? Where can we go from here?

**Nigeria’s Challenges, Opportunities and Options**

In the light of the experience of these other nations, it is reasonably evident that Nigeria’s path to a future of wealth, prosperity for all her citizens and development must be a broad-based programme that mobilises, motivates and employs the population. This suggests that at this juncture of our history, given the high unemployment level in the country and the large numbers in agriculture, emphasis must involve a massive programme that develops capacity in small and medium scale industries organised in clusters across the nation. Our industrial strategy must involve the careful identification and exploitation of niches where high value addition are promoted in already existing natural resources in order to convert our comparative advantage into competitive advantage. This suggests that we must pay special attention to the micro-economy, which we have tended to ignore. As the work of Michael Porter and his collaborators have shown, competitiveness is built on greater productivity in the micro-economy. The modernisation of agriculture with enhanced productivity and increased production must be an ingredient in the new effort.

Obviously, learning from the experience of other nations, a broad programme in education that will involve basic education to the secondary/technical/vocational level for all citizens must be the driving vision. Within this overarching vision for education, we must insinuate the capacity for the high technologies in our higher education system, namely, the universities, mono-technics and polytechnics – especially in such areas like computing, information and communication technologies, material science and engineering and a broad front in biotechnology. It seems evident at this point in time, given the state of Nigerian education that we lack the capacity to pursue any or all of these options. What is more is that there are major obstacles in the social, political and economic life we need to tackle, if we are to have some reasonable basis to expect success.

As illustrated in our review of the social environment of development as reflected in the experience of the newly industrialising economies in the last quarter of the 20th century, there is what one may call (for want of a better phrase), a psychology of development driven by values that makes for success. We are presently bereft of the necessary psychological framework in both the leadership and general population to pursue the essential vision of accelerated development in a society of equal opportunities in an environment that promotes fairness and justice for all citizens. It is a society propelled by the spirit of patriotism and healthy competitiveness in a productive economy, and driven by the enterprise, productivity, honest endeavours, passion and ingenuity of its leadership and citizenry. Ultimately, innovation anchored on a science, engineering and technology system propelled by the creativity of the research scientists, engineers and professional managers is the driver of development in the 21st century. That is why human capital, rather than natural resources is now the driver of economic transformation. That also explains why without global competitiveness and enhanced productivity of our people, driven within a vibrant micro-economy, competitive and productive, and despite our abundant natural resources and a reformed financial services sector, there will not be a sustainable and leap-frogging economy in the foreseeable future in Nigeria. Apart from the current deficiencies enumerated above, three factors stand out as major obstacles on our path. These are the unconscionable high cost of doing business in Nigeria, which undermines our competitiveness and the pervasive and almost endemic level of corruption that threatens the entire architecture of our value system as well as the future of our social, political and economic infrastructure. The third is the pervasive state of insecurity particularly in the Niger Delta, which constrains our ability to attract Foreign Direct Investment (FDI) in the light of the revenue gap that exists, especially for education and infrastructure. Perhaps we should dwell a little on the second issue – corruption, for, without doubt, it is the greatest threat to the Nigerian project. The danger goes beyond the cosmetic issue of re-branding or the occasional genuflection associated with our fight against this monster through existing institutions. These institutions are situated in Nigeria, hence subject to the same considerations and compromises that have become ingrained in our socio-political and economic system.

It is not as if Nigerians are indifferent to the serious danger posed to the future of our society by corruption. The emergence of the new lexicon we refer to as "419" or "the Nigerian factor" is a response to this pervasive danger. In a recent book *A Culture of Corruption,* Smith makes an effort to situate the phenomenon of corruption within the context of the traditional societies and their values based on kinship and the social reality embedded in a system of patronage-clientism. As he notes

> *"Actions to assist family, friends, clients and community are often undertaken out of a sense of social obligation that trumps a notion of civic duty tied to the state or the national polity. Obligations to kin and clients are rooted in a moral economy that (accords) privileges (to) reciprocity, sharing and inter-dependence. A politician (or civil servant) who steals government money is not accused of 419 if he uses a substantial portion of the money to help hisvillage. A mother who uses nepotistic practices to help her son get a job in her office or a man who uses political influence to help his niece get an admission to an exclusive secondary school are not seen as perpetrating 419. Rather they are performing as good kin and good patrons…."*

Thus, corruption goes beyond the issue of individual depravity and self-aggrandisement, to the realm of the cultural factors that induce ambivalence, compromises and tolerance that we exhibit in the face of overt forms of corruption. As Smith notes further

> *"…the anger vented against 419 perpetrators… was not primarily aconsequence of the fact that they obtained their money through criminal activities but that they used their wealth for their own self-aggrandisement, without care for their obligation to others. They violated the norms of sharing and reciprocity associated with kinship and patron-clientism …. Much like the military men who ruled Nigeria for so many years and who treated the state as their personal property without regard for sharing the national cake with the citizenry …. The most aggravating of corruption to Nigerians is that elites are able to straddle and manipulate both the post-colonial state and longer standing networks of patron-clientism in order to hijack each in ways that benefit a few at the expense of the many … 419 highlights the connections between the perceived failures of the state and the experience of ordinary citizens as they navigate a political economy where it is presumed by all actors that the Nigerian factors are always present. Nigerians are quick to assume that their fellow citizens are apt to engage in various forms of corruption including 419 because people share the experience that it is hard to survive, much less succeed, without participating…."*

It is fair to state that perceived corruption in Nigeria has a long history and genealogy. In the first Republic, of the founding fathers, including the regional premiers, only the Prime Minister and the Premier of Eastern Nigeria had no controversies regarding finances associated with their names. In the military era, apart from Ironsi and Mohammed whose stints were too brief, all others except one have had financial related controversies associated with their names, real or imagined. Of the civilians, neither Shagari nor Shonekan has had such questions raised with their persons. However, it is instructive that the alleged involvement of three former Heads of State, as has been claimed in the Halliburton case, underscores the burden that Nigeria's effort at re-branding must face in the international arena. It is a crisis of monumental dimensions that our religious and secular leaders must have to grapple with or accept that the future of our nation is in jeopardy, indeed that it is gripped in the moral equivalent of mortal danger.

Obviously, neither the exertions of the media nor the preachments of the civil society and our religious establishment have availed much, given the history and intractable ramifications of the issue of corruption in our society. With no further attempt at pretensions, it is clear that we are in the midst of a crisis of monumental proportions. As Smith has concluded….

> *"….corruption is a primary discursive lens through which people interprets the experience of post-colonial citizenship and suffering in Africa's giant. No other issue so thoroughly captures popular attention and captivates the popular consciousness….Nigerians' participation in corruption and their…. constant complaints including widespread collective self-criticism about their own involvement, demonstrate the complex and often contradictory social realities that ordinary citizens must navigate in order to survive …. reduced to its simplest form, the story of corruption in Nigeria illuminates the struggles that unfold as people in post-colonial societies experience the transition from forms of organization and shared moralities rooted in kinship and patron-clientism to those associated with modern nation-states and a capitalist global economy …. The elites who dominate them, utilize expectations of development to control national wealth and power…."*

It is now obvious why China is so ruthless with matters relating to corruption, while Brazil and South Korea have been so intolerant of the military rump in their struggle for development.

**Conclusion**

It is evident that the most potent existential threat to the Nigerian project is the pervasive sense of insecurity that has enveloped the country particularly in the last three months. The relatively parlous state of the economy is also a source of worry. However, as I have argued above, the greatest danger currently is the pervasive scent of corruption that continues to envelop all levels of the society. The level of deceit and insincerity in the polity cannot sustain democratic governance not to talk of economic development. This calls for a programme of reverse engineering of our entire ethical infrastructure, beginning from the top and driven down to the lowest strata of the society. Lee Kuan Yew undertook such a reversal of value assumptions in Singapore before his economic reengineering of the society. Modern science has shown that the redirection of values and the re-jigging of the ethical framework can be pursued with appropriate incentives, rewards and sanctions. epr

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