

Law, Politics and the Socio-Economic Development of Africa: an Appraisal of President Muhammadu Buhari's Emergency Economic Stabilization Bill 2016

¹John Kalama & ²Love O. Arugu

^{1&2}*Department of Political Science,
Federal University Otuoke, Bayelsa State*

Abstract

Several scholars have argued that there is no relationship between law, politics and socio-economic development hence; this paper examined the rationale for President Muhammadu Buhari's proposed emergency economic stabilization bill 2016. Findings in the study revealed that Nigeria's executive arm of government actually forwarded a bill titled "Emergency Economic Stabilization Bill 2016 to the National Assembly in September 2016, seeking special powers for the president to carry out some radical economic reforms that have both executive and legislative components. The actions and scheming that transpired between the executive arm of government and Nigeria's national assembly prior to the presentation of the bill clearly shows that law and politics are vital instruments that can be used to frustrate or facilitate socio-economic development in Africa depending on the political will, disposition and capacity of the leader in power. In principle, the study observed that the proposed bill could accelerate socio-economic development in Nigeria but at the same time, it is capable of transforming President Muhammadu Buhari into a democratic dictator. The dependency theory was applied while analyzing and explaining the subject matter. In terms of methodology and scope, content analysis and secondary sources of data (textbooks, published articles, newspapers and journals etc) were relied upon. However, political leaders and elites in Africa should de-emphasize politics when addressing critical national and regional issues. On the other hand, law especially, new laws should not be passed indiscriminately without the implementation and enforcement of existing laws, policies and development plans.

Keywords: *Law, Socio-economic development, Emergency economic stabilization*

Corresponding Author: John Kalama

Background to the Study

The question of development has been a major challenge to most African states while the appropriate development framework to adopt is also a source of debate among scholars in Africa. This explained why Lynn Mytelka in his work “The Unfulfilled Promise of African Industrialization” lamented that policies and development plans in most post-independent African states have continued to rely on industrialized nations for virtually everything hence, policies and development plans are mainly drawn-up with the assistance of foreign experts. In his words:

“The first Nigerian national development plan (1962-1968) assumed that foreign sources would provide 50 percent of the capital expenditure required. In Tanganyika, both the three year development (1961-1964) and the first five year development plan (1964-1969) left the industrial sector to private entrepreneurs (largely foreigners) who were expected to provide about 52 percent of the total and not less than 78 percent of government development expenditure during the plan period. Foreign investment as a source of capital and technology was also emphasized in the first development plans of Ghana, Kenya, and most of the French-speaking African countries” (Green, 1965: CEE, 1969: and Mytelka, 1984: p. 153).

These developments no doubt explains why most African countries engage in excessive borrowing from external financial institutions at controversial and unfavorable terms. This according to Frances Stewart (1977) promotes a kind of dependent relationship between third world countries and the advanced countries which according to him; pervades political institutions and political decision making as well. In his words:

“Many countries are incapable of following an alternative path, not only because the world economic facts of life makes it impossible, but because the cultural, psychological, and economic pressures of the dependent relationship have conditioned decision makers in third world countries so that they do not wish to follow an alternative strategy. Thus, many conflicts which appear to be conflicts of interest between advanced countries and underdeveloped countries become internalized within third world countries with powerful sections of the community representing the advanced-country's interests within third world countries”.

In the case of Nigeria, the economy nose-dived into what the Nigerian government described as technical recession from 2015. The Mohammadu Buhari-led federal government taugt of a number of options including: selling of critical national assets, borrowing from external sources and the need for emergency powers to fix the economy. These options, political intrigues and the rationale for emergency economic powers form the major thrust of this paper.

Theoretical and Conceptual Analysis

Several scholars have argued that theoretical framework is an essential element in any research work hence; it should be viewed seriously and not ignored. Rosenau (1967) and Smith (1997) cited in Jackson and Sorensen (2003, p. 62) emphasized that the question of which theory is best is meaningless since in their works, different theories are all different games played and enjoyed by different players. Thus, this study relied on the dependency theory as its theoretical basis in order to explain the relationship between the various arms of government and external development partners in the process of governance. It is however instructive to note that dependency theory or school of thought emerged as a challenge to the modernization theory. The dependency theory is used to examine the relationship existing between two or more

parties in this case, emphasis was placed on the relationship between third world states and the advanced countries hence, it is a relationship that involves two unequal parties with the weak party depending on the stronger partner for virtually everything. Economic dependence according to Stewart (1977) arises where the major source of a country's economic programme and policies comes from abroad (outside) hence, explaining why many countries are incapable of following an alternative path, not only because the world economic facts of life makes it impossible, but because the cultural, psychological and economic pressures of the dependent relationship have conditioned decision makers in third world countries so that they do not wish to follow an alternative strategy.

Economic structures and institutions that facilitate and aid the dependency theory include: The World Bank, the International Monetary Fund, the United Nations and its agencies and more significantly, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD). The dependency theory is relevant in analyzing the Nigerian situation because virtually all administrations in Nigeria relied on external sources of revenue for the servicing of its annual budgets which explains why debt servicing, privatization, public private partnership (PPP) and technology transfer have become part of Nigeria's economic policy framework. The resultant effect of dependency is the recession which Nigeria has found itself hence, indicating that third world country's economic relations with the highly industrialized countries have always been in-favour of the advanced countries at the long run. Thus, Francesco Rampa and Sanoussi Bilal (2011) argued that the growing presence on the African continent of countries described as emerging economic giants (Brazil, India and China) granted better trade facilities and concessions to African countries in terms of trade, massive investment in infrastructure and resources development, opportunities for Africa to be more assertive on the world stage as well as increased development aid and technical assistance.

However, the basic assumptions of the dependency theory are as follows:

1. That development and underdevelopment could best be understood from the nature of structural linkage within the world capitalist system, which is segmented into centre and periphery nations.
2. Less development countries (LDCs), the periphery, depend on developed nations, centre, because they are structurally linked through unfavourable terms of trade and technological dependence.
3. Less developed countries (LDCs) linkage with external forces weakens and distorts the internal linkages, thus the economy responds more to the external forces than to the internal ones. This means that the centre of the periphery is weakly linked with the periphery of the periphery, but there is a strong linkage between the centre of the centre and centre of the periphery. No direct linkage exists between the periphery of the periphery and the periphery of the centre.
4. Dependency leads to vulnerability and limited freedom of choice of the dependent nations, consequently creating underdevelopment.
5. Uneven development within and between nations, and marginalization of some sectors or social groups, are the consequence of dependence. This means that there is an unholy alliance between local bourgeoisies, the military and the multi-national corporations (MNC's) that results into the distortion of the LDC's economy.
6. Economic growth in the LDC's is stultified by the unequal exchange between them and the industrialized nations.

7. Meaningful development can therefore be brought about in the LDC's only if there is a positive realignment in the dependency relationship. While this theory may provide short term technological and financial assistance and aids to less developed countries (LDC's) critics of the dependency theory argue that the same technological assistance and financial aid creates room for long term exploitation, unfavourable balance of trade, budget deficits, unending debt crisis, socio-economic and political manipulations in most African states. Proponents of dependency theory include: Raul Prebisch, Fernando Cardoso, Theotanio Dos Santos and James Caporaso.

Conceptual Analysis

The concept of development implies different things to different scholars hence, to the political scientist and sociologist; it implies the institutionalization of civic culture as described by Tucian Pye and Sidney Verba(1965). However, a nation is said to be developed if it can successfully manage and control crises related to national identity, political legitimacy, distributive justice, and cope with the exigencies of abrupt social change. Some scholars blame the current underdevelopment in Africa to colonial and neo-colonial policies and activities. To them, the scramble for Africa in 1884/1885 by external forces even after independence raises series of questions which the old and new friends of Africa are yet to explain. Claude Ake, a renowned political economist also expressed this fear when he argued that African's excessive dependence on external sources for its survival and development would be counter productive in the future. In his words:

“The problem is not much that development has failed but, rather, it was never really on the agenda in the first place. Thus, to have development on the agenda in Africa means that development must be domesticated and democratized. It must incorporate popular participation, wishes and aspirations of the people for which it is designed”
(Claude Ake, 1996; p.41)

In the same vein, Marxist scholars also maintain that it is capitalism, both at the national and global levels that produce underdevelopment in the past and present day Africa. Neo-Marxist scholars (dependency theorists) also contended that the international capitalists (through foreign direct investment FDI) collaborate with their domestic allies (governments) in host economics especially countries to perpetuate the exploitation of the unsuspecting host economies. The danger of allowing Africa's economy to be controlled and determined externally was summarized by Wolf, (1974) who affirmed the above position and reiterated that “dependence causes underdevelopment”. The current economic crisis facing Nigeria and other African countries can therefore be attributed to sustained dependence on the economy of advanced countries. The following concepts relevant to the study were also analyzed:

The Concept of Development

The concept of development have been defined differently by various scholars, for instance, Walter Rodney in his book “How Europe under- developed Africa” defined development as “a many sided process. At the level of the individual, it implies increased skills and creativity, self discipline, responsibility and material wellbeing” (Rodney, 1969). On the other hand, Todaro also defined development as a “multi-dimensional process involving the re-organization and re-orientation of the entire economic and social system. This involves improvement of income and output, radical changes in institutional, social and administrative structures as well as in popular attitudes, customs and beliefs” (Todaro, 1978). Within the context of this study, development here refers to the efforts made by the Buhari administration in its proposed bill aimed at tackling the economic challenges confronting the Nigerian economy.

Socio-Economic Development

Socio-economic development according to St. Simeon (1975) is to bring an improvement in the moral and physical wellbeing of the majority of the people through the provision of employment and other basic amenities including, good education, healthcare and leisure which will help to develop the citizen's intelligence and general productivity. For Robert Owen (1984) the presence of an effective social development strategy reduces poverty, ignorance and crime from the society.

The Concept of Law

Law is that element which binds members of a community together in their adherence to recognized values and standards. It is permissive in allowing individuals to establish their own legal relations with rights and duties. On the other hand, law is equally coercive because it punishes those who infringe its regulations. In summary, law consists of series of rules regulating behavior and reflecting to some extent the ideas and pre-occupations of the society within which it functions (Kalama, 2007; p.3). Law in this context refers to Nigeria's legislative arm of government (the National Assembly) who has the constitutional mandate to make and amend laws and also approve executive and judicial bills, policies and proposals such as the proposed "Emergency Economic Stabilization Bill 2016"

Politics

Most writers and scholars have defined the concept of politics in different ways. These definitions however, revolve around power, authority and influence which are basic elements in the study of political science. Thus, Robert Dahl defined politics as "any persistent pattern of human relationship that involves control, influence, power and authority". In the same vein, political science is a field of study that is concerned with how power is shared between the various organs of government within a state and the relationship between those who govern and those that are governed. However, in the words of David Easton, "politics is the authoritative allocation of values for a society". The concept of politics was summarized by Harold Lasswell when he stated thus, politics has to do with who gets what, when and how (Kalama, 2012; p 1-5). The above definitions clearly shows that politics involves the contest for power, appropriation, and allocation of resources and values hence, this explains why political activities and processes often degenerate into conflict situations in different parts of Africa. Within the context of this study, politics refer to the internal and external pressures which directly and indirectly influenced the non-passage of the proposed bill. It will be recalled that members of the Peoples Democratic Party (PDP)- (opposition party in Nigeria) opposed the granting of emergency powers to the president on the grounds that the existing laws and the constitution are enough to carry out any economic reform in the country.

Methodology and Scope

The concept of methodology according to Kaplan, cited in Obasi (1999) is to help in understanding in the broadest possible sense both the product and the process of scientific investigation. Nachmias and Nachimias (1985) also define methodology as a system of unambiguous rules and procedures upon which the basis of an enquiry is formed and claimed knowledge evaluated. Thus, this section of the paper provides a description of the sources of data used and the applicable methodology. The study relied on the descriptive research method while most of the data used were curled from official government policy statements and publications including published scholarly works and articles (secondary data). Data analysis was based on content analysis while the focus of the paper was an appraisal of President Mohammadu Buhari's Emergency Economic Stabilization Bill 2016.

Summary of the Emergency Economic Stabilization Bill 2016

Available records indicate that the decision by the Nigerian government to seek emergency powers for the president was based on a proposal from the government economic team headed by Vice President, Prof. Yomi Osinbanjo. After reviewing previous economic policies, the economic team in its wisdom resolved that unless something urgent is done to review and amend some of the extant law; it will be difficult for the government to make any progress. In their words:

“The recession may be longer than expected and Nigerian will not get the desired respite, which is the goal of this government”.

The out come of the economic team's submission and findings was the executive bill tagged” Emergency Economic Stabilization Bill 2016 which is aimed at achieving the following:

1. The President (Mohammadu Buhari) is to be given sweeping (special) powers to set aside some extant laws and rely on executive orders to roll out an economic recovery package within one year.
2. Empower the president to amend certain laws, such as the Universal Basic Education Commission (UBEC) Act to enable states that can not access their funds trapped in the accounts of the commission because they cannot meet the counterpart funding to do so and embark on radical reforms.
3. Empower the president to abridge the procurement process to support stimulus spending on critical sectors of the economy. The current six months period required completing all procurement and contract award processes is to be reduced to six weeks while the contract sum as mobilization to contractors was also increased from 15% to 50%.
4. Empower the president to abridge the process of sale or lease of government assets to generate revenue. The target of the draft-bill is to empower the president to sell or lease about nine government assets to generate about \$50billion to shore up Nigeria's foreign reserves and the value of the naira against the United States dollar.
5. Allow the president to carry out virement of budgetary allocation to projects that are critical and urgent without going back to the National Assembly.
6. Allow the president to address the issue of fiscal deficit spending which is currently pegged at 3.0%, and debt-to GDP ratio currently at about 14% which are among the lowest among Nigeria's peer economics.
7. Empower the president to carry out radical economic reforms to get government agencies to fast-track their operations to enable foreign investors to come into the country without the current bottles necks hence; embassies and Consular offices will now be expected to make Visas available within 48 hours and visitors, especially tourists who intend to pick up Visas at the entry points, will be able to do so with ease. Consequently, the proposed bill will compel some government agencies like the Corporate Affairs Commission (CAC), the National Agency for Foods, Drug Administration and Control (NAFDAC), and others to improve on their turn around operation time for the benefit of business. (Source: The Nation Newspaper of 28th August, 2016).

Analysis Showing the Issues and Contradictions in the Emergency Economic Stabilization Bill 2016

This section of the paper examined the works and opinions of economic experts and stake holders including relevant government circulations and publications which were analyzed via

content analysis method. The issue of emergency economic powers to enable the president implement his economic reforms have continued to generate argument and debate among economic experts and analysts hence, it is on record that right from the day president Mohammadu Buhari asked the National Assembly in Nigeria for emergency powers to steer the country out of economic chaos (recession), economic experts have been speaking on the propriety or otherwise of the proposal with many holding the view and most strongly too that the proposed bill holds the key to turn around Nigeria's economic fortunes for good. Several economic and financial analysts have also argued that Nigeria's economy presently is in a dire state and desperate times call for desperate measures hence, they observed that the federal government does not only need to fix the economy, but also needs a few quick wins to restore its image in the public eye. However, in a report captioned sweeping endorsements by the OPS, organized labour" published in the Nation Newspaper of 28th August, 2016, Mr. Muda Yusuf, Director-General, Lagos Chambers of Commerce and Industry (LCCI) believes that the presidents' proposal is indeed a welcome relief.

In the same vein, the General-Secretary of the Ayuba Wabba-Led faction of the Nigeria Labour Congress (NLC), Dr. Peter Ozo-Eson hailed the decision of the federal government. In the words of Dr. Frank Udemba Jacobs, president of the Manufacturers Association of Nigeria (MAN) "it is a step in the right direction, something drastic has to be done by the government to rescue the economy from total collapse". While x-raying the merits and demerits of the proposed bill the think tank team of financial derivatives company limited led by Bismark Rewane, acknowledged the fact that Nigeria's economy requires drastic measures but at the same time, the economic analysis team cautioned that economic success is never guaranteed except it is well-coordinated and effectively executed. They argued further that "Venezuela went down the economic emergency route in early 2016, with woeful results. The Nigerian experiment is most likely to be successful because it is seen as an ally of the Western world. This assertion explains why scholars like Claude Ake (1996), Lym Krieger Mytelka (1984) have maintained that Africa's over dependence on the industrialized nations (West) have been detrimental and counter-productive. According to Mytelka (1984) in his work "the unfulfilled promise of African industrialization the policies and development plans in the immediate post-independence period in Africa are mainly drawn-up with the assistance of foreign experts. In his words:

"The first Nigeria national development plan (1962-1968) assumed that foreign sources (economic aid) would provide 50 percent of the capital expenditure required..." This no doubt explains why the dependence theory way applied in the study. While castigating the federal government for not implementing existing laws and policies Bismark Rewane, a renowned economist and leader of the think tank economic analysis team maintained that several existing laws and policies can be relied upon to turn the economy around. In his words:

"In the whole, policy decisions have been reactive to economic events rather than in anticipation of them. The fiscal stimulus required to set Nigeria back on its recovery path is trickling in bits and pieces. The delay in implementation of the budget is also crippling the pace at which projects are expected to yield dividends that would trigger the much needed recovery... Nigeria's major problem and probably the reason why it has remained on this course of hardship and pain, is the delay in key policy implementations. For policy decisions to be effective and efficient in achieving goals, they have to be opportune, strategic and well-planned". (Source: The Nation Newspaper of 28th August, 2016).

However, Bismark Rewane and his team of financial experts added that the success of the emergency plan is subject to the government's ability to select some quick wins that are tangible. In their words:

“if not, the government could be perceived as back tracking into the military era. There are risks involved with assigning one person with so much powers and authority. The president could be seen as a democratic dictator. It could also breed political infighting especially in fractions that already believe the government of change have done very little to fulfill its mandate”.

The above position is in line with the views expressed by Barr. Ken Ukaoha, President of the National Association of Nigeria Traders (NANTS), who stated thus, we need to do extra ordinary things if we must pull this economy from the wood and that, includes some of the things the president is seeking the National Assembly's approval to do”. In his words:

“The question we should be asking is: does Buhari need the powers he is asking for? I am afraid he does. As a matter of fact, such powers are long overdue, given the dire situation the country's economy is in and the need to urgently bring it out of the woods... the big questions is: Do we want to eat omelet? Then we must be ready to break eggs. Laws are made for man and not vice versa. We should not be slaves to our own laws.”

In a report captioned “Economy: Any alternative to Buhari's Emergency powers Bill? published in the Nation Newspaper of 28th August, 2016, Micheal Kayode Ajayi, General Manager Western Ports, Nigerian Ports Authority (NPA), added his voice to the debate when he justified the actions of the president. In his opinion, the president and the nation does not need new laws to fix the economy but rather what the nation need is committed and dedicated leaders and politicians. While speaking at a public lecture organized by the Institute of Credit Administration (ICA), Ajayi blamed the parlous state of the economy on insincerity of purpose on the part of the different tiers of government in Nigeria. In his words:

“Much as these problems have attracted intense attention, little has been achieved by government to solve Nigeria's economic problems. The resultant failure to address it honestly and painstaking has often resulted in several industrial crisis involving labour and non labour unions... the government needs to pay better attention to the development of the nation's solid mineral. The solution is for the government to diversify into agriculture and the non-oil sector”.

The question of honesty and sincerity as essential ingredients of leadership was also expressed by Chinua Achebe (1984) who lamented that Nigeria and indeed Africa lacks honest, disciplined and patriotic leadership hence, the underdevelopment and poverty in most African countries. As the controversy rages over the propriety or otherwise of the president's proposal, the consensus position of most Nigerians and economic experts is that Nigeria's economy is in bad shape (recession) hence, it requires drastic and urgent policy actions and reforms at the highest level of governance. The methodology and the framework required to pullout the economy out of the woods no doubt remains a highly constable and unresolved subject-matter.

Conclusion

The study examined the challenges confronting Nigeria's economy and the efforts made by the Mohammadu Buhari-led administration to address the problem. The study observed that based on recommendations from the federal government's economic team led by the Vice President,

Prof. Yemi Osinbanjo, the federal government forwarded the emergency economic stabilization bill 2016 to the National Assembly, seeking special powers for the President to drive his economic recovery plan. The study adopted dependency theory in order to explain the relationship between external influence and underdevelopment in most African states. It disheartening to note that after several years of independence, most African countries have continued to depend on their colonial masters and the industrialized countries for virtually everything.

From the above analysis, it is unequivocally clear that the emergency economic stabilization bill 2016 proposed by the President of Nigeria (Mohammadu Buhari) contained provisions that will enhance and fast track the procurement process leading to the award of contracts including virement of budget allocations to service critical sectors of the economy and infrastructural development. At the same time, economic and financial experts are of the view that concentrating so much power in the hands of the president will be counter-productive and undemocratic. Thus, the paper concludes that economic reforms and policy measures can be carried out by the federal government using existing laws and policies in order to ensure proper documentation and due process. Above all, the principle of rule of law demands that the three arms of government must function independently for the collective good of the system hence; granting special powers to one individual will amount to the personalization of government and development of individuals rather than develop institutions and political structures.

Recommendations

The following suggestions will no doubt help to address the economic challenges in Nigeria:

1. Since technology is a major driver of the economy, there is need for Nigeria to promote and develop its own indigenous technology and economic policies rather than engaging in technological dependence and transfer which has security and other socio-economic implications on the receiving nation.
2. Neo-colonial policies that encourage the sale or privatization of critical national assets should be discarded while asserts that have been sold by previous governments should be retrieved and the culprits prosecuted.
3. Nigeria and other African countries should develop the culture of building and sustaining political and economic institutions in the country hence, all citizens and leaders should be subjected to the same laws without any form of discrimination or segregation based on the immunity clause.
4. Anti-corruption agencies should also be strengthened and made to function effectively without government interference as it is the case presently in Nigeria and some African countries. This is important because the current underdevelopment in most African states, including Nigeria can be traced to decades of looting and misappropriation of public funds.
5. The National Assembly should also be strengthened to pass laws that will promote and strengthen local indigenous industries hence, old and out dated laws and policies should be discarded or reviewed to meet contemporary realities. In the same vein, Nigeria's relations with its Western allies and institutions such as the World Bank, International Monetary Fund (IMF), the United Nations Conferences on Trade and Development (UNCTAD) etc should be re-examined and reviewed.
6. Nigerians especially members of the organized labour and civil society movements should be vigilant in order to monitor the activities of the federal government and its economic team which recommended the Emergency Economic Stabilization Bill 2016 to the President. This is imperative and fundamental because government is accountable to the people and the people must also demand accountability by playing the role of a watch dog.

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