Global Educational Research Journal: ISSN-2360-7963, Vol. 3(5): pp 313-321, June, 2015.

Full Length Research Paper

Revitalizing the Nigerian economy: Beyond western orthodox approach to heterodox economics panacea.

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Accepted 20th April, 2015

This paper examines the cause of Nigeria's folly in her quest for economic and social development. Every successive administration has made the claim that Nigeria is on the path of economic renaissance, especially from the outset of the fourth republic till this time. Continual dependence on the Western allies is traceable to the comatose nature of the economy, albeit not disregarding the monster called corruption. Nigeria has been the laughing stock of the international scene. Her resources (both human and natural) still remain greatly underutilized. Hence, the worries and anxiety that the country is edging towards the precipice should have been curtailed by her abundant/untapped resources. After clinging to the apron strings of the western allies to help rejuvenate/revitalize her economy (by taking to their prescribed policies and their loans), there has not been any significant change in the real performance of the economy. Rather than liberate the economy, these measures have made the country more indebted, handicapped and chronically illiquid. Consequently, the emphasis/modus operandi has to systematically shift from kowtowing to western orthodox policies designed by her allies (whether economic or foreign) to heterodox economic solutions enunciated by economists. This will reverse the trend of stagnation and lay cornerstone of development and sustainable growth the country needs to experience.

Keywords: Nigerian economy, western orthodox approach, heterodox economics panacea

INTRODUCTION

This paper examines Nigeria's misguided policies and recommends possible solutions. It is usually argued that corruption at home is primarily responsible for Nigeria's plight, while disregarding the part her supposed allies play in under developing her economy. Make no mistake, this paper doesn't exculpate Nigerian's past leaders from corruption, it only points out the handiwork of her allies through mainstream economics in worsening her already battered situation. So much illusion is created by the West by constantly convincing her leaders and populace that growth is actually recorded in the economy.

Growth of GDP (Gross Domestic Product) is greeted with much brouhaha. The value of FDI (foreign Direct Investment) hitting an all-time high has become the bastion of government in concealing its ineptitude in the control and management of the economy. These and many more yardsticks about gains or dividends of the growing economy are emphasized. I find this bereft of logical reason. Unemployment ranks higher than at any other time in the economy. Indigenous participation in the economy is at the lowest ebb. Continual devaluation of the currency, which portends weak purchasing strength, is like a recurring decimal. Absolute dependence on importation of its consumables is a head-ache, and empowerment of her citizen and massive industrialization is virtually non-existent. Despite all these troubles, her supposed friends are allies in talk while they are obvious foes in deeds/actions.

Section two describes how the bail-out or loans granted her by her friends are in reality to produce economic enslavement/subservience. It has always given the Western world a great deal of dominance or hegemony in controlling her day-to-day administration. Section 3 warns of the higher doom awaiting Nigeria (and all Africa) if she doesn't take a volte-face on her policies. In here is expressly stated, the manner Western countries have plunged their European counterparts into recession by reneging on signed pacts and by instilling a "pragmatic" approach to individual nations of European Union. If these policies have already had disastrous consequences on other Western nations, how much more doom will now be foisted on the black world, especially Nigeria.

The powerless and helpless state of the “too-big-to-fail” nations is obvious. Section 3 discusses how this is magnified, as loans or bail-out accorded the country during their now-past days of prosperity leaves each country scrambling to re-adjust, manage and fast-track their own economy. Nigeria is heading for an economic tailspin as a result of ineptitude her current government is exhibiting. In short, section 4 highlights the parody initiated thus far by successive government in the quest for economic growth. Nigeria must take a hardline stance on some of the policies forcefully foisted on her if she is to undergo transformation and break the barrier of underdevelopment.

Section 5 suggests that such parody/modus operandi must be done away with and be replaced by pragmatic and home-grown solutions to fast track the much needed transformation her citizens aspires to.

Illusion of a bail out depicting hegemony

Whenever it is proposed that a bail-out, aid or loan is to be received by the third world countries, it should (under proper circumstances) be greeted with loud ovation. Unfortunately, in this flawed world, this is instead the time for more economic servitude on the part of the recipient while a form of economic hegemony on the side of the guarantor. Bretton Woods institutions like the World Bank and the International Monetary Fund (IMF) play the scripts of the Western orthodox approach to economics, so that the phrase "bail-out" actually means "hegemony". For the past two decades and still counting, the World Bank and the IMF have forced developing countries in creating conditions that are of immense benefits to West economically under a scheme known as the Structural Adjustment Programme (SAPS).

For third world countries/government aspiring for development, the Bretton Wood institutions act as a barricade against development. An example of this is Chile and the elected government of Salvador Allende. In 1972, Richard Nixon (then President of the United States) in tandem with his security adviser Henry Kissinger used the bank to make the Chilean economy scream, which eventually paved the way for the bloody coup of 1973.

Bail-outs would have been helpful to the third world countries if there were no stringent conditions attached. Unfortunately, bail-outs come with policies such as relaxation of trade restrictions, privatization and removal of subsidies by government of the third world, which further impoverishes the masses and opens up the economy of the West for unlimited trade and market. These stringent conditions in most cases are sine qua non for securing loans or relief. It means that bail-outs are only a smoke screen for actual dominance by the West.

Since the amalgamation of the southern and northern protectorate by Sir Lord Lugard in 1914 till the 1960s, agriculture was the mainstay of her economy. Nigeria was not indebted, nor was it dependent on the West for bail-out .The agrarian status of the Nigerian economy changed with the exploration of the oil discovered at a Place called oloibiri, Bayelsa State in 1957.That helped the government from growing broke as the sale of oil was instrumental in prosecuting a 3 year civil war without borrowing/external aid. This feat of oil discovery with its exploration appeared to be a blessing initially but turned into a curse when during the oil glut of 1980, the comparative advantage she had in oil had waned. Nigeria's diminishing participation in agriculture and over-reliance in oil exploration for active or over-reliance caused pro rata fall in the price of oil at the international market. This, in turn, led to a balance of payment deficit in the 80s as revenue from oil had become the primary source for budgetary planning. Having established an over-sized, bloated government which all too often embarked on white elephants, Nigeria couldn’t run her day to day activities in a balanced manner. Oil revenues fell 42 per cent in two years as the price of crude collapsed from $40.97 a barrel in December 1980 to $28.25 in March 1982. The look/search for foreign loan became inevitable.

Muhammad Buhari, after overthrowing the Shagari Administration (based on the pretext of combating greed and corruption and righting the ailing economy), began an advanced negotiation on a proposed IMF bail-out for the comatose economy. Negotiations between the IMF and Buhari government were deadlocked because of disagreement on the conditions the lending institution attached to the loan facility. Dr. Onaolapo Soleye, the then finance minister, scrupulously perused the conditions attached to the loan facility, which were:

i. Curtailment and review of public expenditures
ii. Reduction of government subsidies
iii. Stoppage of non-statutory transfers such as loans to state government
iv. Simplification and rationalization of traffic structure
v. Review of interest rate
vi. Relaxation of import restriction
vii. Devaluation of the naira
viii. Vigorous export promotion and then concluded that securing the loan connoted a poisoned chalice to the economy.

General Buhari resolutely insisted that at least three of the conditions (removal of petrol subsidies, naira devaluation and relaxation of trade restrictions) were unacceptable. With the IMF obstinately insisting on their conditions, Buhari stated agreeing to these terms was politically suicidal. He said, “we have realized the damage IMF loans have done to developing countries. None of the developing countries that have taken IMF loans have come out of it well. So if we are to go by historical indications to take IMF loans on the terms they want us to, will be tantamount to virtually destroying our own country. Devaluation does not make sense to Nigeria at all.

The regime of Ibrahim Babangida was like a loosening of the asphyxiating stranglehold experienced by politicians during the Buhari regime with the way and manner he gave corrupt politicians a soft landing through presidential pardons. He also started the negotiation on the proposed IMF loan throwing the matter into a court of public opinion. Being an innocuous impostor and deeply Machiavellian, Babangida threw caution to the wind by accepting IMF's conditions for securing the loan. It removed government involvement in fixing the value of natural currency and initiated the structural adjustment policies. This caused untold hardship for the citizenry. Unemployment astronomically rose. Local industries were closed up because of the relaxation on import restrictions making foreign goods cheaper and locally made goods unable to compete.

Despite securing the loan, there were problems. There were persistent current account and budget deficits, a huge backlog of uncompleted projects (especially in the public sector), factory closures, and large scale galloping Inflation, which stifled economic growth. External loans from the ICM, which became significant in the early 1980’s, carried high and floating interest rates usually tied to the LIBOR which itself escalated from barely 3-4 per cent in the late 1970s to 13.0 per cent in 1989. Moreover, the restructuring, particularly that which was undertaken for the Paris Club debts, did not give sufficient breathing space and therefore, made the servicing of the debt difficult. An arrear of principal and interest was recapitalized to further compound the debt situation. Indeed, the rescheduling made debt service as well as the stock of debt to increase. For instance, the original value of Nigeria’s external debt which was $18.9 billion in 1985, increased to $35.9 billion as at 31st December, 2004 in spite of cumulative debt service payments of about $36.6 billion during the same period. (Ogunlana, 2004) Nigeria was granted debt relief during the Obasanjo civilian regime: that helped break the ice on servicing of debt and hitherto pleas for debt cancellation. It is still rather disturbing that after receiving debt relief the country continues borrowing without any lasting positive results to show for it. In 2009, Michael Peel gave a sterling account of the path IFIs (International Finance Institutions) played in impoverishing the Nigerian economy by giving stolen proceeds a safe haven in their respective countries. In his interview, and immediately following Nigerian government, Enrico Monfrini, the lawyer charged with recovering the stolen assets for the Nigerian government, placed enormous guilt on the west financial institutions as accomplices in corruption.

According to Monfrini, the modus operandi for the asset recovery was to place a bait for stronger evidences of aiding and abetting of illegal fund to the western authorities. This was swallowed by the Swiss authorities which then, having gone through the Nazi gold scandal, issued alerts to hundreds of banks confirming the authenticity of the accounts which had government money siphoned by Nigeria's Former Head of State, General Sani Abacha. What is more shocking is the manner stolen funds moved from one country to the other. He said the suspected money laundering appeared to involve at least half a dozen countries on three continents leading to changing in the currency it was held before. With much resilience and commitment on the path of Monfrini, a giant stride was achieved which included repatriation of $500m from Switzerland in 2004 and $160m from Jersey in 2003. All recovered loot stood to the credit of 12bn by early 2009. Here is a pointer to the basic banking practice the western financial system disregarded by providing sustained dictatorship around the world. Most notably in the 1999, the US Senate permanent subcommittee on investigation issued a stinging report on Citibank’s conduct in the Abacha affair with the document x-raying the sinister interest of the financial institution overriding legality/otherwise of its client money. The role of international banks in facilitating these kinds of transactions has become something of a célèbre (Michael Peel, 2009).

Let us not forget the case of DSP Alamieyesieyha, the former governor of Bayelsa State, who was arrested in London for money laundering in 2005. While I strongly agree that Mr. Alamieyesieyha was corrupt, I want to remind the reader that this is also another example of how Western governments and their bloated financial institutions aid and abet corruption. After studying the official state documents, the New York Times reported that the state poverty eradication committee received a little more than half of what was spent on toiletries for state officials between 2002 and 2005; the state had spent more than $25m on his official mansion. Over his six and a half years in office he allegedly racked up assets abroad of more than $20m and about $11.5m of that sunk in four properties in London. At the time of this financial madness, Joseph, a London based attorney, made the allegation that the former governor paid E6, 100,000 of Bayelsa money in equal tranches into five bank accounts in the name of each of his children. Mr. Alamieyesieyha chose not to respond to the claim. Having been aware of this stark illegality and subversion of ethical practices, the banks and estate agents involved were undeterred in their dealing with the governor, showing lack of probity on the path of financial institutions. These financial institutions focused on their gains as trustees of the trustor while ignoring the manner the trustor acquired the trust.

Although dependence on foreign loans might have diminished with the issuance of government bonds in funding deficit, the country continually depends on the West for foreign direct Investment and privatization of her enterprises.

All the aforesaid is to point the reader's mind to the fact that bail-out, loans or whatever it is from the West is a diplomatese for hegemony, dominance and self-assertion in the area of economy and trade.

I conclude here with the words of George Washington, the former US president who said “it is madness for one nation to expect disinterested help from another. The US does not have friends but interest” (Abbah, 1996). Hence, help, bail-out or loans from the West means dominance, buoyancy, hegemony or prosperity for the West, while visiting misery, servitude or subservience upon the recipients of such "help".

The doomsday scenerio of the western world conveying great depression for Nigeria

The too-big-to fail economies that collapsed like a pack of cards caused a global recession. The reason for their collapse is enunciated in the maladjustment of their respective economies.

History, as they say in economics, always repeats itself. Recession, downturn or meltdown as the case may be, once occurred way back 1929-1939 and timely measures then solved the problem of Recession. That the world experienced an economic downturn during the 07-08 years does not spell a permanent doom to economic prosperity (despite the fact that prosperity achieved prior to the latest economic meltdown were rooted in financial speculations).It may be necessary to look outside the box for a hardline solution to the economic malady the 2008 global recession caused .

In the light of the aforesaid, the problem needs to be understood, the future occurrences need to be nipped in the bud, and the status-quo needs to be changed. The first bugbear is to determine the economic recession and its concomitant degree.

Before the bubble burst, the wealthiest (especially in the US economy, which is the prime mover of global economy) saw their income rise as never before. The Euro zone and European Union disregarded banking ethics. The result of these unethical banking practices has been catastrophic. The Global economy is on its knees. The unemployment rate in the West has risen. Economic contraction has replaced expansion. Jobs are outsourced like never before to cheap labour, and consumer spending is low, which in turn has caused social security for the unemployed to skyrocket. All these without an ounce of doubt portend little revenue for government and high expectation for government on the part of citizens.

The West is going through all facets of reforms, be it macro-economic or micro or even foreign, to get herself out of economic quagmire. It would amount to tomfoolery to posit that a man in danger of drowning would simultaneously be able to rescue another man in the same dilemma. Yes, for a capitalist mode of economy, it’s all about exploitation; Moving and swerving to where labour and raw materials are cheap. That presupposes that ordinarily the failure of one should be at the advantage of the other.

The loss of jobs at the US Economy was the precursor of economic meltdown. Job growth and availability for the US then, which was a decade before 2007-08 financial recession was starkly insufficient for growing population. Manufacturing industries were leaving her shores for developing economies. Jobs were outsourced; this was the demerit of capitalism. (capitalism would even disregard theory of consideration for aim of greed/avarice). She brought out a policy in issuing a tax wealthy even when foreign policies were draining her economy. Banking is greed and its unquenchable thirst for avarice is enunciated in its attempt for making super-abnormal profit while forsaking nobility.

Globalization in tandem with trade market liberalization could be detrimental to economies, an example of the European Union fits into this as European banks had provided an important helping hand in sponsoring the US housing bubble of the 2000s. It was later made clear that European banks had behaved especially recklessly in their gamble in foreign lands by tolerating a huge short dollar position that was outside the purview of European central bank and the US Federal Reserve (Bilbow, 2012).

That act of banking recklessness created a financial contagion for the European Union. As bubbles were bursting in the US, more bubbles eventually burst in the euro zone, which led to financial impairment. When a bank/insurance company has about 50% of its capital wiped out, it becomes technically insolvent and chronically illiquid. The policy of fixing an individual nation’s economy should be fully operational as United States, which controls World Economy runs a deficit in budget due to massive stimulus packages pumped into the automobile industry to reduce unemployment rate. The structure has created the huge deficit that got her president thinking about reducing the huge deficit to disallow passage of debt burden to future generation. Policies to bring jobs back to the US economy are underway, with loads of incentives and tax rebate ready to be offered.

Decrease in defense budget of the US (which is greater than the cumulative amount spent by the rest of the world) is underway for the redistribution of spending to domestic and pivotal areas of her economy. Foreign diplomacy has been made the window of opening up of economic trade for more export for the US economy. The bilateral agreement/relations are a segue of emphasis from defense to economic trade. If the mighty US economy is preoccupied with all its efforts to bounce out of its own economic recession, then other nations (especially Nigeria) who are ready to kowtow to US whims and fancies are suffering from illusion if they expect the US to bail them out.

The US is quite effete in bailing countries out even as already stated. When she had the power (way back during the heydays of budget surplus and economic prosperity) she decided to offer exploitation as a sine qua non for exploration.

The Euro zone has a unilateral monetary policy with which the European central bank (ECB) became the issuer of Euro-zone currency. Member countries' commitment to monetary policy is an obligation. In terms of inflation rates, wage to labour size, Germany having suffered for a while on deficit budget, reneged on the monetary rule of embarking on relative base disinflation (Bilbow, 2012). The ECB’s one size fits all monetary stance became relatively tighter for Germany than in countries with higher wage and price inflation. It has paid Germany by stimulating non-euro net export: being a converse trend from the regionally concentrated export experienced before and during euro-appreciation that made non-euro exportations unfavourable. It secondly gave Germany the comparative advantage of being a safe haven as interest rate and labour are cheap.

With the seeming rise of Germany as a new super power in the euro zone, other members are crying foul for bail-out and economic rejuvenation. Germany’s discontinued obeisance to the Stability and Growth Pact (SGP) caused more harm to her counterpart in the increase of cross-border trade and shift of labour. With Germany now left with a singular choice of either writing-off the bad sovereign debt marred by other Euro zone member or bailing her own banks that are technically insolvent, it is most reasonable that a bail-out to her bank is the next port of call while she would prefer calling the shots to other members in term of relief or economic renaissance. This is the Michiavellian method Germany used in making herself economically relevant in the euro zone.

All the aforesaid is to point to the mind of the reader the need for evaluation that the

proof of the Western economic maladjustment with the inherent doom caused by her own making is enough to promptly accept the Western incompetence in helping Nigeria from economic Malady. The US is trying to regain her lost power of economic dominance with implementation of a new industrial repatriation policy embarked on and also to urge deficit spending to keep unemployment rate falling to a considerable level by the President. It is therefore plausible that aid accorded to Nigeria within this period of economic reappraisal would be far less than previously, if any is to be obtained . After all, even in times of economic prosperity, the level of aid received was during them never enough to transform Nigeria's economy. It was to whet the appetite of government and provide the keys for economic hegemony on Nigeria. Little wonder the growing concern of the United States about Nigeria and her security challenges, the raison d’etre being economic interest/investments.

The EU has not fared better, with growing concerns for austerity, it is most certain her primary concern is to retrace her steps and begin an economic rejuvenation . Days of greater quantities of foreign aid reliefs to Nigeria are temporarily over although we too know well that the aid received are way too small for turning the ignition of economic transformation.

The Nigerian economy seems to have been left in the lurch. Solutions to her recurring problem of stagnation are beyond the reach of the Western orthodox economics. The thought, search and outlook should change and emphases should be on heterodox economics that would foster the much needed economic renaissance.

Present address of the economy depicts ineptitude

Continual repetition of same methods will continually produce the same outcome. Nigeria's economic potential endowment in both national and human resources has been made unrealizable in terms of greatness due to the ineptitude on the path of government.

How else would you justify the culture of squander mania that has become the norm of the government since post-independence, apart from corruption that her administrator indulges in, her account of outright wasteful spending on the international scene is plausible proof? It had always been and continues to be the manner the administrators flex muscle to re-enact the illusion of her (Nigeria) being the giant of Africa.

Grants to the Angolan authorities by the government of the then Muritala Mohammed (1976-1977) to the tune of $20m was a parody then because the country was yet to take her rightful domestic policies authenticated in the quest of giving the citizens a better and affordable life. Another miscarriage of responsibility is the South African relief fund initiated during Obasanjo regime(1977-1979) for the credit political support of anti-apartheid standing to the credit of more than $20 million never brought about any economic development to the country.

Also, her peace keeping troops deployed to various trouble spots in Africa were of gallantry and self-assertion with even little or no respect for Nigeria. This not only coughed substantial doles from her exchequer, it innocuously plunged her to insolvency with no economic gains. Nigeria, with her past attitude of noblesse oblige, is even more hated and loathed by allies she tried to help in the past. She is accorded no deference but condemnation.

This policy of squander mania unfortunately is yet to be addressed by the current president of Nigeria, with his acquisition of ten jets in his presidential fleet. While we talk of high unemployment rate and infrastructural decay, approval for the new N2.2bn banquet hall in the presidential villa was granted by the Federal Executive Council. This travesty of priority exudes the placement of inconsequentiality over national importance.

Nigeria gains nothing at international meetings. Instead, leaders of other nations take advantage of Nigeria's presence at such meetings by using these as opportunities to strike bargains for economic trade, knowing full well her penchant for importation due to her comatose manufacturing sector.

Our President aware of this, still attends those kinds of international meetings with high level delegates draining the tax payers' money and having nothing to show forth. The cabinet of the President are no different at all with their policy implementation which again amount to waste. The Minister of petroleum decided to spend N6.5billion for sensitization on the petroleum industry bill which in any case has no effect on the development of the nation's economy.

It is almost incredulous to discover that half a trillion dollars has been siphoned from public treasury to unscrupulous business icons since its exploration. One can only wonder what the effect would have been on development of the Nigerian economy had this sum of money been wisely spent on economic transformation.

All worrying and abhorring is the astronomical increase in paraphernalia of political office holders. An average Nigeria parliamentarian receives more pay than his America counterpart, notwithstanding the level of development in America and that the American counterpart achieves more with less pay, while his Nigerian counterpart earns more but does less. These outrageous salaries and other forms of entitlement have nothing to do with service delivery, but are a sheer waste of public money. Most of Nigeria's revenue has always been directed to whet politicians' appetite while leaving scraps for economic development. This issue of outright profligacy and lack of strong institutions to checkmate financial recklessness in addition to the economical subservience to the west, compounded the woes of the country.

Because of the outrageous amount spent on the paraphernalia of political office holders, tension has been caused in the polity and increased incidents of violence and killings. Everyone wants to get into a political office to enjoy the privileges and paraphernalia of office by hook and crook. Records of electoral violence and post-election violence are a pointer to this that Politicians want to force their way into office even if illegality will be involved. In all major elections held in Nigeria, the incumbent political parties possess an unfair advantage over other parties by the use of state resources attached to their offices in support of their campaigns. The resources in most cases are used to cow, intimidate and subdue their opponent, thereby making the election a sham.

Elections are not won on the basis of robust debates, lofty ideals or plausible rationalizations; they are won on the basis of who spends more on electioneering, recruitment of thugs and subversion of electoral norms. These are the progeny of profligacy and lack of viable institution.

Man likes doing things with impunity. He loves to enjoy laxity and latitude to the fullest. He hates being checked or regulated. Unfortunately, Nigerian politicians love subversion of democratic norms, infractions of law and disobedience to stipulated guidelines. All these negative features would have been minimized or avoided had there been strong institutions to curtail this hyper-headed monster.

As previously pointed out, the West would not feel any moral obligation to help Nigeria on the path of development. The West would only invest in areas open to exploitation and to maintain continual hegemony over Nigeria. Nigeria was hit by the global economic crisis not because of her global integration with the world economy per se, but because of her economic dependence on the West. With the consumer price commodity index soaring high, her continual dependence for massive importation further impoverished her citizenship that were way below poverty line -More than 70% of the entire population lives on less than $1 per day-before the onset of the economic meltdown.

In conclusion, when waste reigns in an economy, development bears the brunt. The problem is further compounded by the impunity with which Lawmakers can operate. Having little or no mechanics in place for oversight encourages unscrupulous people to take advantage of the situation. With a bad economic policy of utter dependence in terms of consumables, that singularly sells your sovereignty by constantly depending and affected by prices at international market. This is sheer ineptitude on the part of politicians of a country going through economic malaise

Volte-face in government policy: The key to economic transformation

Government holds the key to any transformation of her economy. In fact, wise government should make this its focal point in its day to day activities. Things have really changed. Unfortunately, leaders of today have double standards and double speak. They talk the talk but do not walk the talk. They talk more but achieve less. They spend more to acquire little. They make new laws to break existing ones, all in a bid to carefully navigate troubled waters or to satisfy greedy and avaricious intentions. Even in the developed countries, including America, the principles of populism and egalitarianism, which were foundational building blocks of her economic empire, have been skillfully exchanged for individualism and laissez-faire.

Little wonder that such a departure from the moral standards has created a deep schism between the rich and the poor. Nigeria has been spared of this malady only because it has never attained/built herself an economic edifice with her proportionate size and resources. While her potential greatness is clearly visible, Nigeria's attainment of economic greatness is made impossible due to flip flop economic policies bereft of methodical thoughts and logical solutions. The goal should not be how to make plenty of empty promises, but to deliver what has been promised through honest efforts through wise policies. The present crop of leaders are not ready for this patriotic duty. They are concerned about ensuring a steady inflow of money into their pockets and to perpetuate their time in office, to the detriment of the rest of the nation.

For economic transformation, there must be a quick segue from the errors of the past to a newer, beneficial policies to which should then be energetically pursued.

For my beloved Nigeria, the first pragmatic step should be to turn away from the Western financial policies of privatization that have been foisted on the country. Without prejudice to the Western world, I do not blame them when they logically convey their reason for this bold assertion. They continually posit that waste, rot, bureaucracy and mismanagement exist in governmental institutions and because of this, they should be shifted into private hands ardent on maximizing profit based on the assumption that this will lead to better management and quick decision making. That may be true in few instances, but not in all circumstances.

Recall that the financial/Wall Street collapse of 2008/09 made clear that private investors might be reckless in appropriation of financial resources dangling with the fortunes of people’s money and not the bank/mortgages money. In privatization/deregulation so to speak, the policies guiding them are skewed in favour for the elite and perpetual stagnation for the humble.

Brian Browne in his plausible postulation posited that unlike a river that flows from its source, money always flows to its source. Little wonder that foreign investors have made a killing out of the Nigeria economy with continuous exploitation of the masses. Wealth and assets would not move to the poor, instead the little the poor have would go to where more money is. It’s thereby appropriate to disillusion and enlighten government that privatization would create further harm by deepening the economic division of the rich and the poor citizens in their economy.

Lord Keynes Fiscal recommendations

Government all over the world is concerned about unemployment and employability. It means in simple terms that its active labour force has not been fully utilized for productive venture. A high unemployment rate is a casus célèbre for a good government in quest for economic transmission and because of that mechanisms are put in place for the curtailment of this bug-bear.

The last section condemned in its strongest terms the ineptitude of government in handling this problem. Government continually posits that FDI, increased production/exploration of oil will stem the worrisome tide of unemployment. She is also quick to show statistical evidence of the GDP growth as a corroboration of her claim of economic development. This section recommends an effective fiscal policy implementation of lord Keynes theories as a sine qua non for progressive reduction which then put in good perspective, an increase in a certain sector of the economy does not actually translate to economic development rather the effective fiscal policy recommend by lord Keynes, that brings the much needed/anticipated growth.

Keynes postulations are that;

i. The appropriate fiscal policy during period of high unemployment was to run a budget deficit even though the conventional wisdom is that deficit budgets were always bad.

ii. Policy that directly targets the labour demand gap (opposed to the output gap) is far more effective in stabilizing employment, incomes, investment and balance sheets.

iii. unemployment problem can be solved speedily and directly by one primary method which is direct job creation through public works

In all the above postulations, one thing worthy of note is that unemployment can be brought down to a minimal level with governmental spending on public works/industrialization. This position can be attained by the government running huge budget deficits. Nigeria incurred debt through high recurrent expenditures. This goes at cross purposes with Keynes theory. Little wonder that unemployment rate continually goes up without any sign of coming down. Fiscal policy of government should directly target unemployment through public works. Hence there is the need for a change of thoughts from stimulating GDP growth as a panacea for economic growth. (Okun, 1962) himself cautioned that GDP-to-unemployment relationship is rather weak as a three per cent (3%) growth in actual GDP brings about only a one per cent (1%) reduction in unemployment. Hence effective fiscal policy through works (that is channeling government spending to infrastructural dearth) will reduce the rate of unemployment.

Industrial Policy

Fiscal policy begat industrial policy. Industrial policy begat industrialization, which dovetails actualization of government budget (either through deficit funding) with realization. Industrial policy, if painstakingly implemented and applied effectively, would bridge the much needed gap of the underemployed, unemployed into active employers and employees. Hence the mystique concerning industrial policy is to be understood and properly articulated.

This term is a conceptualized developmental phenomenon. This is a policy that marshals all government authority and largesse for the aim of productivity, competitiveness and full employability. Without prejudice to Nigeria, it is obvious for all that her economy is under-utilized the oil sector contribution to GDP notwithstanding. The industrialized nations of the world, despite their quantum leap in the area of massive Industrialization-being the progeny of industrial policy-continually make this their hard target in governance. Nigeria therefore should tap from this policy of economic transformation in bettering the lot of her populace. Against the perception of the free market economy of demand and supply being the market determinant, it has been found that industrial policies of government have rather promoted private businesses.

Stimulus packages of the government in 2008 and 2009 to General Motors and Chrysler forestalled the inimical consequences of lay-out and unemployment by preventing bankruptcy of such company. In this subsection of industrial policy, I consider three sectors of the Nigerian economy the most consequential namely the transportation, energy sector and manufacturing sector.

Much needs to be done in the transportation sector, the roads and the air means of transportation are the only explored ones. The rail means is comatose, that has led to the congestions and gridlock encountered in the country. Even the roads are ramshackle. Account has it that Nigerian roads are worse off than the roads in war torn countries. That explains the extent of decay and degradation. If the railway could be brought back on track, modernized and expanded, the transportation sector will witness a great deal of improvement. This would ease traffic congestion and make production pay-out accessible and reachable. The multipliers effect of this would be to cushion the skyrocketed rent experienced in the densely populated areas of the metropolitan cities. By simple logic, if I can get to my place of work within 30 minutes devoid of obstruction or transportation hitches irrespective of wherever I am in the country, settling down in a rural area would be the most preferred for the retrenchment of cost and saving for other pressing expenditures. Skyrocketed rents would plummet which on the long run will redistribute population from densely populated areas to less dense areas.

Another catalyst of the industrial policy of government should be the massive investment in the energy sector. This is the precursor for a viable and formidable manufacturing sector, notwithstanding other ancillaries incentive like tax rebates, stimulus packages et al being discussed in that next sub sector. The energy sector is the prime mover of a nation’s economy. We all are aware of many industries that have folded up and left the shores of Nigeria due to inadequate supply of energy (by this principally, I mean electricity). There was a time the Northern part of Nigeria used to boast of strong textile industries absorbing a good number of the labour. Suddenly, apart from other problems encountered, electricity supply was the main reason for their moribund states. This created high rate of unemployment. I was told a particular textile industry could boast of 60,000 workers. Consider that kind of industry and its likes folding up and then postulate the doom of unemployment spelt on the country.

Here, the policy has to be rigorous, comprehensive and robust. Be it the generating, transmitting or the distributing part, the investment must be massive to awaken moribund industries and entice new ones in springing. The statistic within reach recommends 40,000MW of electricity as the benchmark for power stability for both industrial and commercial activities and here we are struggling to attain a 5,000 MW which periodically fluctuates. Many writers and analysts have written extensively on looking beyond hydro and thermal (although the sickly problem with Nigeria at times is one of a quintessential paradox, which loses 40% of the gas explored through gas flaring and yet complains about the inadequate gas supply to thermal stations) to other form of energy be it biofuel, solar and nuclear.

Worthy of mention is the fact that transportation regeneration and massive energy investment in the industrial policy would definitely jump start the much needed transformation. There is still need to extend acts of bail-out to the manufacturing sector to act as complement for economic renaissance. The issuance of tax rebates to nascent industries goes long way in creating the much needed incentives for proper start-up. I was astonished when I was told by a friend a few years ago that the then minister of trade and commerce in Ghana wooed investors to his countryside on announcing the resolution of the federal government in doling out a 10 year VAT-free policy for new industries. This sign posted an enabling environment for investors cum industrialist.

Other ancilary solutions

Nigerian government needs to attend to complaints by potential investors that cost of transacting business is high. This would be the apt stimulus needed in consonance with the already discussed i.e. bail-out for ailing/insolvent ones or favourable loans to encourage production. If the stock of Nigeria economy is taken, the active players are the expatriate who are even crying for more. Indigenous participation is low in the area of the oil sector which happens to be the mainstay of the economy or in the telecommunication industry which has only Globacom as the active participant though Globacom still continues to depend on the service of expatriate. Even there must be a call for FDI; it must be skillfully bargained to involve active participation of the citizen. It must move from the win-all policy of west to win some-lose some. This should be the quid pro quo for

FDI. Latest trend of happenings show that cities and towns are insisting companies into infrastructural development must build some of the equipment in their homelands. An example to buttress this fact is a Canadian company Bombardier contracted to supply train cars in Toronto, manufactured the train and cars right in the city of Toronto.

I shake in utter dismay at the massive importation of Nokia phones and electronic gadgets to Nigeria, yet most foreign-based companies aren't compelled to site their industries in Nigeria. The reduction in the degree of outsourcing must reduce drastically to enable indigenous participation in the economy, which would be made manifest in the production of gainful employment. In fact the theory should be 'never import what can be locally produced'. Any time you ponder on the clement climate and rich human resources Nigeria is endowed with, you can't help feeling sorry for her pitiable food importation. That is bunkum. It smacks of outright foolishness by under-utilizing your resources and fully harnessing and keeping flow the economy of other.

Diplomacy between countries has been elaborated to encompass economic diplomacy. Gone are the days when foreign diplomacy was restricted to travel, language and military. It has gone to mean opening new doors for export and bilateral relations. Other countries like China and USA have compelled their foreign diplomats to forage avenues open for exports. Nigeria must follow suit on this if she wants to be economically transformed. Otherwise the scores of diplomatic houses cum ambassadors she has belie the economic benefits. She spends more on foreign missions but gains little from it. This concept of integrating economic diplomacy into foreign policy would open new doors for export, rapid indigenous empowerment and increased G.D.P.

Diversification from oil as the foreign exchange of the country to other sources is of utmost importance. Oil is no longer a comparative advantage for Nigeria. With on-going search for other form of energy and increased discovery of oil in other African countries, it thereby means its dependence is overdue. Diversification is needed for continual relevance. Exploitation of underutilized/unutilized human resources should begin forthwith. Nigeria has a lot of natural resources she jettisoned in pursuit of oil, which is eventually becoming a glut with dwindling price at the international market. Continual budgetary preparation premised on its price at the international market is quite suicidal. Our comparative advantage is buoyant labour size, good weather and natural resources. These should be harnessed to the fullest. Germany deflated her wage to make her a safe haven as the investors' choice. Nigerians could do the same to reflect cheap labour and production in centuries after all she is not obliged to any pact or treaty in terms of monetary policies.

CONCLUSION

If everybody plays by the same fair rules, mind one another business and mechanisms are in place for checks and balances, then Nigerian economy would experience quantum leap and would emerge as the first on the African continent. Continual dependence on the west and her policies will become a thing of the past. Then would the reward for hard work, competence and industry be realizable. Lending based on speculation would decrease while that to the real sector of the economy will increase for good.

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