

RESTRUCTURING AND NATIONAL DEVELOPMENT

BEING

PAPER PRESENTED

BY

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FOUNDATION**

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## PREAMBLE

I am greatly delighted to be here today and I thank God for the privilege I have to honour the invitation by the Board of Trustees of Moses Inaolaji Aboaba Trust Foundation (MIATF) to deliver the Foundation's second lecture. I could not have declined the invitation.

Let me explain;

- i) When I received the letter of 22<sup>nd</sup> January, 2019 from Elder J.O. Adelowokan to deliver today's lecture, I could not but relish the good times he and I shared together in the Civil Service especially either in the Ministry of Economic Planning or the Ministry of Finance and Economic Development in the Old Western State and later Old Oyo State before I exited the Civil Service in 1988. As man of good disposition who combined brilliance with hardwork, discipline and humility, I am least surprised that Elder J.O. Adelowokan made it to the top and headed the Civil Service of Osun State. I make bold to say '***that Moses Inaolaji Aboaba Trust Foundation has got the best man to head its Board of Trustees***'. May you remain relevant. But Elder J.O. Adelowokan is not the centre of attraction today, hence I shift my attention to the centre stage of today's gathering.

The man of the moment is Chief Moses Inaolaji Aboaba the visioner and driving wheel of the Foundation. This great Nigerian does not need to be marketed. His admirable and remarkable careers in the Civil Service, (he was the first Secretary to Government and Head of Service when Osun State was created in 1992) and in a quasi private sector organisation –

National Economic Reconstruction Fund (NERFUND) attest to his invaluable contributions to the good of his fatherland and community-Igbajo where I met first him in 1959 when I was a fresher at Kiriji Memorial College, Igbajo. Anyone who needs additional information on this colossus is sincerely advised to procure and digest a copy of '**POWER OF HIS GRACE**' – (Chief Aboaba's Biography). Suffice to say that since we met 60 years ago, the relationship has not been broken. Sir, you have remained consistent, and the Foundation which you have the grace and privilege to found, which has as its Motto, "**LIFTING THE UNDERPRIVILEGED**" reveals your burden for the downtrodden.

Therefore, all facts considered I heartily congratulate you on being able to put together the day's event. More importantly, I rejoice with you for making the difference in a world characterized by self and blindness to the plight of others. Your message to us is to help others and not to chorus the saying – *Bamu bamu la yo, a wa o mo pe ebinpa omo enikokan, Bamu bamu layo*. Literarily translated it means – *we are well fed, we are not aware that others are hungry*. May this Foundation which started as a mustard seed continue to grow bigger and bigger, every year in its good deeds.

## **RESTRUCTURING AND NATIONAL DEVELOPMENT**

In this paper, I shall be examining;

- i) What is restructuring?
- ii) What is national development?
- iii) The relationship between Restructuring and National Development?
- iv) What is the most important agent for restructuring and national development?

I shall end with conclusion and recommendations

Since I believe that the topic has been chosen to produce a better Nigeria and Nigerians, I shall limit myself essentially to issues affecting Nigeria. Let me start with the question.

### **WHAT IS RESTRUCTURING?**

The ordinary meaning of the word is Rearrangement or re-organisation (let me add for good, efficiency or better performance).

## **WHAT IS DEVELOPMENT?**

It is an act of developing, the state of being developed, a gradual unfolding or growth, evolution. In the economic sense, development means growth with structural transformation.

## **RESTRUCTURING IN NIGERIA**

The definition of restructuring as a re-arrangement opens up the Pandora box. This is because many people have canvassed and continue to canvas restructuring in Nigeria and this has many sides - using the media both electronic and print, as carriers of their views. From the information available restructuring centres on the following among others – Governance/Political, Economic, Local Government, Education, Resource Control, Power Sharing, Poverty Reduction, Diversification of the economy, Trimming of the bureaucracy for efficiency etc. For one thing not all the issues on restructuring can be covered in this paper since we still have the issue of national development to deal with. Therefore, I like to select a few of these issues to sensitize us.

### **i) Governance /Political Restructuring:**

Nigeria has been governed by one form of Governmental Structure or the other since 1960 when she got her political independence. Succeeding Governments have tinkered with the Federal structure e.g Regional Governments, creation of Group of Provinces, creation of states at different times, which grew from the initial twelve to thirty six and the Federal Capital Territory. There are still strident calls that the present Federal structure should be improved upon as it cannot lead to accelerated development. Some of the suggestions are that the Federal Government as presently constituted is too powerful and that it should devolve more powers to the states. There are also calls that the Local Governments (774 of them in the country) should become autonomous. I have come to the conclusion that for a long time to come the calls for Governmental /Political Restructuring will continue hopefully until we can come together to actually agree on the best form of Government for us taking into consideration the relationship among the three tiers of Government – Federal, State and Local Governments.

This will involve the Federal Government taking bold and courageous steps (through an action plan) to;

- (i) ensure the devolution of some powers to States and Local Governments constitutionally. The aim will be to decongest exclusive and concurrent list in the constitution.
- (ii) look into issues affecting control of minerals and mines, internal policing and control of police, land matters, communications etc.
- (iii) re-examine and redefine what will be the functions /responsibilities of the Federal Government under a true federalism
- (iv) make Local governments autonomous through the constitutional responsibilities allotted to them.
- (v) ensure that resources are shared equitably and revenue allocation system is reviewed.

## ii) **Economic Restructuring**

This has many facets – e.g diversification, bank restructuring, massive development of infrastructure, health, education etc. Let us take the issue of diversification. The bane of our economy has been the reliance of our economy on Crude oil over the years at the neglect of other sectors especially agriculture. Except Lagos State (which is said to be the fifth largest economy in Africa) all other States rely heavily on the monthly allocation from the Federation Allocation Accounts Committee (FAAC). I experienced this as a Civil Servant, when I was in the Ministry of Finance and we had to wait at the end of each month for the allocation from FAAC before we could hold our meeting of the State Fund Allocation Committee.

In 2016, when oil prices were at an all-time low of about \$26 per barrel the country's revenue was significantly impacted. This led to a massive reduction in FAAC allocation. Consequently, most states of the Federation owed salaries to their workers. This also brings into question the economic viability of most states and their ability to stand alone. However, this is a question for another day.

Experience has now taught us that our future is not in crude oil. For example, the United States of America produces more oil than Nigeria but the share of its oil revenue as a percentage of total revenue is less than 5%. The solution is to develop massively our agriculture, infrastructure, non-oil minerals etc and ensure that there is always policy consistency.

Professor Ojetunji Aboyade CON a distinguished scholar and top University Administrator (of blessed memory) in the Book: '**Development Burden and Benefits** (Reflections on Development Process in Nigeria) reiterated the same issue on the dependence on oil. He said, and I quote;

*'since the early 1970s, Nigeria's development process has been dominated by and depended on the international petroleum oil market. The public sector has correspondingly witnessed an enormous expansion in government expenditure leading to a system of inflationary and distorted growth.'*

The panacea to this is the diversification of the economy and the revenue of Government.

**iii) The Power Sector:**

I am daily worried that Nigeria with a population of over 180 million people has generated over the years less than 10,000kva of electricity, inspite of the reforms in the last few years whereas a country like South Africa with a population of 57.901 million, generates more than 40,000kva of electricity. Unless this sector is meaningfully and vigorously reformed/restructured, it will be a day dream that we can attract investments needed to uplift the economy significantly. Imagine the challenges businesses are facing in Nigeria as a result of irregular and insufficient supply of electricity. The importance of power cannot be underestimated in national development. Even before God created anything, the first thing He said was "*Let there be light!*"

What then are the immediate steps to be taken on this vital issue. First Government may have to revisit the existing arrangement on power generation, transmission and distribution for efficiency.

The Nation must also explore vigorously other sources of supply – solar power, energy from Waste etc. Certainly a lot of more meaningful investment has to go into this sector.

**iv) Resource Control**

This has been one of the popular topics in the public domain and the question is what resources are we talking about? Is it human or material resources? The call has been specific from one section of the country that produces oil. Other sections of the country have recently joined the debate. They have every right to demand for it. I remember that when I operated as a Civil Servant/in the Old Western State, a lot was achieved through the effective use of local resources – e.g allocation from agriculture (e.g proceeds from Cocoa through derivation principle). Examples are the massive infrastructural projects in the Old Western

Region/Western State. Education was one of them which gave the then Western State a headstart ahead of other regions. The resource allocation then was enshrined in the constitution. A lot has since changed in the revenue allocation system since the 60<sup>s</sup>, especially since 1966 when the military made their first incursion into Government. To be a Federation to the letter, we must take seriously fiscal federalism and revenue allocation. We must recognise that;

- (i) the components of the Federation are co-ordinates, each with specific responsibilities allocated them constitutionally
- (ii) each should retain some reasonable revenue generated within her borders to perform its duties. Whatever is transferred to the Federal Government should be on agreed percentage.

I do not have the luxury of rehashing how fiscal federalism and revenue allocation had been tampered with over decades but just let me give you a picture of what is happening now to buttress this point. While the Federal Government gets over 56% of the total revenue, each state of the Federation gets 0.666%, and each local government has far below 0.025%. There is evidently imbalance in the revenue allocation (between the Federal Government and other two tiers of Government (States and Local Governments) which has to be addressed constitutionally.

## **NATIONAL DEVELOPMENT (NIGERIA)**

For about 74 years (which include the colonial period, succeeding Nigerian Governments have driven National Development using the instrumentality of Development Plans). This is the scenario.

- i) 10 year Plan of Development and Welfare – 1945 – 1956
- ii) First National Development -1962 - 68
- iii) 2<sup>nd</sup> National Development Plan – 1970 – 74
- iv) Third National Development – 1975 – 80
- v) Fourth National Development Plan – 1981 – 85

The Federal Government has also embarked on a 3 year rolling plan (between 1990 and 1998). Between 2003 - 2007, the Federal Government introduced National Economic Empowerment and Development Strategy (NEEDS) which gave priority to wealth creation, employment, poverty reduction and value orientation.

There later emerged Vision 20:2020 which sought to make Nigeria a developed Nation by 2020. We are now less than 12 calendar months into 2020 and I cannot see this dream being realised.

The Federal Government in 2016 formulated Economic Recovery and Growth Plan to bring Nigeria out of recession.

I will like to comment on two of the plans for their uniqueness.

The 1970-74 Plan has these objectives viz;

- ❖ A united, strong, self-reliant nation
- ❖ A just and egalitarian society
- ❖ A land of bright and full opportunities for all citizens
- ❖ And a free and democratic society.

These are well thought-out objectives which if vigorously pursued and implemented to its contents would have by now mitigated the on going calls for restructuring in the land.

The unique feature of the 4<sup>th</sup> National Development Plan 1981 – 85 was that it was a Plan drawn under a democratic dispensation. Incidentally, I was involved in the formulation of this Plan and I recall how the then Governor Chief Bola Ige SAN worked seriously to make the Oyo State aspect of the Plan a veritable vehicle for growth and structural transformation especially of the rural areas. His sincerity is reflected in the foreword he wrote on the Plan. I quote part of it;

*“This Government took the opportunity offered by the new Development Plan to re-emphasize and consolidate its four cardinal programmes of free education at all levels free medical services, integrated rural development and gainful employment for all able-bodied”.*

But guess what! By December, 1983 the Military struck again, hence nobody can hold the aborted civilian regime of failure to achieve the aims and objectives of the Plan.

### **Relationship between Restructuring and National Development .**

And so what can we gather from all the previous efforts on National Development, through the policy instrument of Development Plan?

- i) The Political and administrative restructuring which had taken place periodically has not prevented Government from searching for policy options for the development of Nigeria.
- ii) Failure to achieve the goals in the various plans could be attributed to instability in government and policies, inefficiency in the public service, indiscipline, insufficient commitment etc.
- iii) There can be no national development without peace borne out of a generally acceptable political/administrative structure designed for stability. In other words, whatever structure is agreed must promote peace and national development. It must make the citizens secured, more patriotic and productive.

### **The Most Important Agent for Restructuring and National Development**

The common factor is Man (I mean man in a generic sense) who has dominion over all things. Man, as an ordinary man can achieve extraordinary things (e.g Space technology). The mindset of man is crucial, in whatever position he occupies. If he is a political head (i.e he is a ruler) he must not think of self first in any structure he finds himself. He must think of the common good. If a man is in a position of authority, he must avoid polluting himself (in common parlance, he must shun corruption). That is, no structure is ideal or can guarantee automatic development. The central issue is 'Man'. Unless people change their mindset for the better, their nation will remain stuck in the mud however well documented the policy instrument of National Development may be.

### **CONCLUSION AND RECOMMENDATIONS**

I do not claim that this looks like an inaugural lecture. It cannot be. I have only sensitized the audience to add more / contribute to the debate on Restructuring and National Development. Before I take my seat, I will like to make the following conclusions;

- i) Restructuring which has many facets as a topic will continue to rear its head as long as our Nation exists. The debate will not end here.
- ii) Restructuring and National Development are not diametrically opposed, one is a cousin of the other.

Let me also make the following recommendations;

- i) Whatever restructuring is to be done must be for great improvement of the polity and efficiency
- ii) For any meaningful restructuring and National Development to take place in Nigeria, man as an agent must have a good mindset. He must have the '*can do spirit*'. Our value orientation must change.
- iii) Government and the private sector must collaborate effectively to develop the human resource factor and engage in upgrading substantially, the infrastructural gaps in the economy (i.e education, power supply, road and rail networks. Nigeria must strive to be a knowledge-based economy.
- iv) The policy instrument of national development (Development) must be purposeful, focused, and be implemented with commitment at every level of government.
- v) The National Revenue Allocation formula is long overdue for a review and when this is done it should facilitate the allocation of better percentages to the Sub-national tiers i.e States and Local Governments.
- vi) The tiers of Government especially States and Local Governments must ensure that they tap new sources of revenue and collect the existing ones more efficiently.
- vii) Plan implementation should be implemented through the annual budget, the passage of which must be timely. There should also be close monitoring to ensure that set goals are being met.

I thank you all for your attention.

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