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CONSTRUCTING THE DEMOCRATIC DEVELOPMENTAL STATE IN AFRICA

A case study of Nigeria, 1960–2007

Adekunle Amuwo

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About the author

Professor Adekunle Amuwo obtained his bachelors and masters degrees in political science from the University of Ibadan, Nigeria, and his doctorate from the University of Bordeaux, France. He has been head of department at Ibadan as well as chair at the University of Limpopo. He has had fellowship stints in several parts of the world, notably the Archie Mafeje senior research fellow at the Africa Institute of South Africa (AISA) in 2004; British Council visiting research fellow at INCORE, University of Ulster in 1998, and USIA fellow at the Summer Institute on American Federal System at Denver, Colorado, in 1996. He is widely published in areas as diverse as international political economy, comparative politics and governance, intellectuals and power; democratisation, civil society and integration, francophone Africa, civil-military relations, and globalisation and citizenship. He is a co-editor of a forthcoming volume on Civil Society, Governance and Regional Integration in Africa. Since November 2004, he has been the executive secretary of the African Association of Political Science (AAPS), whose secretariat is at UNISA, Pretoria.

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Institute for Global Dialogue
IGD House, Thornhill Office Park
Bekker Street, Vorna Valley
Midrand, South Africa

PO Box 32571, Braamfontein 2017, South Africa

Tel +27 11 315 1299
Fax +27 11 315 2149

www.igd.org.za

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Table of contents

Abstract

This paper critically examines the feasibility of a democratic developmental state in Nigeria. The major problem is the construction and crafting of a democratic developmental state within the context of generic/neoliberal globalisation and the matrix of global/international development policies and politics spawned by it. Many developing countries, especially African, have had to pursue both democracy and development within the ambit of global capitalism, with its anti-state and anti-people ideology. This largely explains why they are neither democratic nor developmental. Yet, there is no record of countries that have developed without the centrality of both the state and the people. On account of the imposed US variant of the market economy since the early 1980s, many African states have lost the capacity to develop their own market capital. They have also largely lost the freedom to exercise sovereign choices in respect of economic policies, the context and content of social policy, and the direction of social development. The post-colonial and post-adjustment state has increasingly become outward-oriented, with political and other leaders stuck with the idea that democracy and development can easily be imported from outside. This political and ideological outlook explains why the interventionist activities of international development agencies and the donor community have become an article of faith, even though the result has been extremely disastrous from the point of view of the social purposes of the state.

Beginning with an extensive and intensive interrogation of both the theoretical and empirical literature on developmental states (with the proviso that virtually none of the so-called 'Asian Tigers' developed democratically), the Nigerian typology is studied within an implicit African comparative perspective. I argue, both implicitly and explicitly, that whereas Nigeria was an incipient (democratic) developmental state during the First Republic and for much of the Gowon years, largely venal and visionless military-political leaderships implementing market reforms as a 'shock therapy' subsequently truncated this process and experience. With the consequent hollowing out of the state, Nigeria's state/political elite became comfortable in handing over the country's development to market forces. The result is that the role of the state, the bureaucracy/technocracy, ideology, and non-state sector or civil society/social movements in the development process has became effectively short-circuited and compromised. There is no Afro-pessimism, however. Nigeria, like any other nation state, can be fixed. Countervailing democratic, developmental, transformatory, emancipatory, and revolutionary pressures from above and below, both within and outside the country, need to be harnessed for the effective construction of counter-hegemonic globalisation. Within the specific Nigerian context, the latter will involve the following, among others: the elaboration of genuinely nationalistic responses to globalisation, the popular expressions of democracy, state recomposition, and 'democratic developmentalism'. None of these will come easy, but unless victories are won at these levels, Nigeria will move farther away from, not closer to, a democratic developmental state.

Keywords: democracy; development; developmental state; globalisation; state; market; neoliberal democracy; popular democracy; people

Introduction

To all appearances, post-colonial/post-adjustment states in Africa, except for very isolated cases, lack the most important component of the state *qua* state, namely, the *idea of the state* as the most important catalyst of development. This component is the most essential to the state's coherence and purpose, to the extent that it furnishes the mechanism for convincing citizens to willingly subordinate themselves to the state's authority. A major explanation for this phenomenon is the absence of legitimate governments in much of the continent. Legitimate governments should ideally run functional states that are institutionally strong; efficient; effective; and anchored on publicly determined, predictable, and increasingly rational rules of political behaviour. To the extent of the positive presence of the state in the lives of ordinary people – materially and otherwise – they are led to give the state more than *habitual obedience*, and will routinely honour the state with more or less *genuine allegiance*. But since this type of state is little more than a state in the *process of becoming* in many political systems, both developed and developing, the constitution of a democratic developmental state would mean the pursuit of two mutually reinforcing agendas: democracy/good government and holistic – including human – development.

This paper presents a critical interrogation of the possibility of such a state within the context of generic and neoliberal globalisation and the matrix of domestic policies and politics it spawns. No one can intelligibly speak of development without a thoroughgoing understanding of globalisation as a core issue. Under the formal and informal rules and power arrangements of neoliberal globalisation, the theory and practice of development in non-Western societies is virtually a one-way traffic: either it reinforces neoliberal globalisation or it is considered as illegitimate. Redefining development in emerging contemporary developmental states in terms of human capabilities and freedoms is hardly tolerated. With the concentration of the benefits of globalisation in the Triad (the United States, the European Union, and Japan) and its allies, the autonomy and degree of manoeuverability of African states are severely constrained. Not only do most of them lack the ability to develop their own market capital, but they have increasingly lost the authority to determine both the direction of social development and the context and content of social policy in their own countries. Nor do they have *infrastructural power*, which is the institutional capacity of a state to penetrate its territories and logistically implement decisions. Similarly, many of these states have yet to develop the internal sovereignty that defines the basis of statehood.

It may well be that, partly because of this phenomenon, the typical post-colonial/post-adjustment state is more outward focused than inward focused; that is, more given to seeking developmental solutions or salvation from outside than from within its own territorial integrity. This phenomenon may also partly explain why the interventionist activities of international agencies in the continent's development have become almost an article of faith for political leaderships, even though the result has been disastrous from the point of view of the social purposes of the state. With little or no constitutionalism, the outward-focused character of the state has facilitated the emergence of a predatory oligarchy and a neopatrimonial state insofar as the rulers' subjective interests have been erected as the objective interests of both the state and the people.

I propose a critical reflection of the foregoing and related elements of the political economy of Africa, with the Nigerian experience as case study. The discussion is historically contextualised. There will be some emphasis, however, on the development reforms of the first government under the country's Fourth Republic between 29 May 1999 and 29 May 2007 under the leadership of President Olusegun Obasanjo. The reflection is cast within both an implicit and explicit Nigerian and African comparative perspective, with examples drawn, when necessary, from other parts of the global South. I argue that these elements do not constitute a zero-sum game, since there are countervailing developmental, transformatory, emancipatory, and revolutionary pressures from both 'politics from above' and 'politics from below'. I also critically interrogate the following: the *structures* and *strictures* of neoliberal democracy that are hardly effective, to the extent that they are little more than the superimposition of a political structure (multiparty system, parliamentary/presidential system of government, periodic elections, and related artefacts of liberal democracy) onto a political culture that has no intrinsic relationship to the structure; the impact of the discontinuity between civil society and political society (such that many emerging political parties have no relationship whatsoever with the people); and the seeming diminishing space for civil society in a neoliberal democracy that is almost an empty shell vis-à-vis the political, social, cultural, and economic well-being of the people.

I conclude that, as presently constituted, the Nigerian post-colonial/post-adjustment state has only a slim chance of becoming developmental and hardly any of becoming a social democracy. Yet, if the country is to develop, it can only develop democratically. But democratisation will bear little or no fruit unless it is accompanied by a strategy of state reconstruction. In the long run, the balance of the tension and dynamics between the logic(s) and the political struggles of proponents of 'top-down' and 'bottom-up' political and social engineering, including their responses to globalisation, is likely to determine the trajectory of the state either towards or further away from democratic developmentalism.

The developmental state

Notwithstanding the global drive towards increasing *laissez faire* capitalism from the early 1990s, resulting from the collapse of 'actually existing' socialist or centrally planned economies in the Soviet Union and Eastern Europe, the role of the state in economic growth and development remains everywhere crucially important. Contrary to the orthodox argument of neoliberalism and its chief proponents in the Bretton Woods

Institutions (BWIs) and other international financial institutions (IFIs) that the three pillars of the so-called 'Washington Consensus' – fiscal austerity, privatisation, and market liberalisation – are enough for 'late developers' to reach their goal, there is increasing intellectual and practical evidence to the contrary. Historically and currently – as evidenced in, on the one hand, the developmental states of the Netherlands (sixteenth and seventeenth centuries) and Britain (1560–1851), and, on the other, those of Japan (from the 1950s) and South Korea (1960s–70s) (Bagchi 2000) – market certainty has always been a function of the enforcement of rules and regulations in both the public and private sectors of the political economy. While devotees of neoliberalism (scholars and politicians alike) often, rather self-servingly, stipulate no more than the role of an 'enabler agent' to the state, for global capitalism to reproduce itself, it is increasingly apparent that, in the real world, there is more to the state than just the market (Beeson n.d.: 10).

Thus, Joseph Stiglitz (2004), former World Bank chief economist, co-Nobel Prize winner in economics, and, most importantly, arguably the leading intellectual spokesperson for the virtual global association of the 'discontents of globalisation', has argued that 'the intellectual foundations of *laissez faire* economy, the view that markets by themselves, will lead to efficient, let alone fair, outcomes has been stripped away'. Putzel (2005: 8) concurs, and goes further to argue that 'there are simply no historical examples of development occurring under conditions of openness and liberalisation promoted in the South by the international development community'. He adds that, everywhere, 'accelerated development has required state involvement, control over the allocation of foreign exchange and subsidies and protection for infant industries'.

In the interface between the state and the market, governments are called upon to make choices: to, as it were, blend *social values* and *market values*; work towards achieving Pareto optimality; and make concrete efforts to narrow the gap between 'high expectations and actual practice' (Cardenas 2005: 374) of market profit maximisation (for the political and business elite and their objective allies) and life-saving and life-bequeathing state interventions. The latter are an imperative wherever the market is considered to be weak, with a view to enhancing economic growth, generating employment, fostering industries, and financing private investment (Haque 2004: 229). In other words, while the market is important, the state is more important. When and where the former fails – and it has a tendency to fail woefully when most needed – it is the latter that intervenes to rescue society and the masses of the people from the life-threatening consequences of this failure. Within this context, the statement by Allen Greenspan, then chair of the US Federal Reserve, that 'markets are an expression of the deepest truths about human nature … and as a result, they will ultimately be true' (cited in Wade 2005: 30) sounds extremely hollow – except, of course, if one buys into Washington's ideological standpoint that regards not *the right to work*, but *the right to free capital mobility* as a fundamental right.

Historical and contemporary developmental states have had to traverse the state–

market continuum by responding to the challenges of international economic openness in ways that increase the degree of their domestic leverage and decrease their degree of vulnerability. This is often done through a cocktail of market- or private sector-driven and state- or public sector-friendly social policies. Logically, these policies would not only be fairly complex, but they would be arrived at as a result of some form of social contract, based on the ethos of nationalism and the political commitment by the political elite to the virtues of industrialisation and development (Beeson n.d.). To all intents and purposes, therefore, developmental states cannot but be underpinned by institutional, cultural, political, and economic values, suggesting that, like Western liberal democracy, they are hardly transferable *in toto* from one socioeconomic formation to another. Evans's argument (in Martinussen 1997: 238) that 'states are not standardised commodities; they come in a wide array of sizes, shapes and styles' makes eminent sense within this context. Thus, there is hardly anything intrinsically good or bad about 'small' or 'big' government, or a 'fat'/'lean' or 'hard'/'soft' state. It would seem that what is crucially important is the extent to which the state fulfills its social purposes; that is to say, *how* it legitimises itself in the eyes of the people by its faithfulness to its social contract with the citizenry. In the Triad, for instance, the *political talk* is about small government, but the *political act* is in favour of big government. The consequence is that 'government transfers (heavily skewed toward social programmes) as a percentage of GNP have increased strikingly … precisely over those sectors in which confidence has decreased' (Pharr et al 2000: 12).

While developmental states, as described in the literature, have their national, cultural, and structural specificities (specificities that the one-size-fits-all orthodox market reform blueprint of the World Bank and the International Monetary Fund [IMF] have all but denied to African countries, on the altar of neoliberal globalisation and its fundamental logic of capitalist expansion [Amin 2005: 81]), certain salient attributes bind them together. In other words, while every successful developmental state combines innovation in its economic, social, and political organisation with imitation or learning from others (Bagchi 2000: 412, 420), some defining characteristics are common to all developmental states.

According to Peter Evans and Chalmers Johnson (in Martinussen 1997: 238, 276), the developmental state is characterised by a well-developed, coherent bureaucracy and technocracy of Max Weber's rational/ideal type. Such a bureaucracy is considered to be efficient, effective, possessing capacity, and enjoying relative autonomy in relation to the state/political elite and other key interest groups in society. The state is organised on the basis of an admixture of government planning and business strategies. A more or less judicious balance between the role of government and the market (Stiglitz 2004: xiv) involves the former disciplining the latter, when and as necessary, in the national interest, however this is defined. There is, however, a close working relation between the state and big business corporations. With its eyes inexorably fixed on development, participation, and security, the developmental state anchors itself on a social pact between capital and labour (Chibber 2004: 1). There is almost always this balancing act between 'the global demand for the state to retreat and become a market player, on the one hand, and the internal need for a more active state to deliver basic services and ensure certain safety nets under critical circumstances' (Haque 2004: 237). When the state appears to yield ground to the market, it is not so much the absence of the state that one observes as the specific or changing nature of the state's interventions and regulations (Martinussen 1997: 268).

How has the developmental state been characterised in contemporary literature? One can respond to this question in at least two, not unrelated ways. The first is to simply delineate what scholars of the developmental state generally regard as the main features of such a state. The second is to study the developmental state by examining some key historical and contemporary socioeconomic formations characterised as developmental.

It is generally agreed that the developmental state has two components: ideological and structural. The dialectics and dynamics of the ideology–structure nexus, it is argued, sets developmental states apart from other types. Rooted in a strong sense of nationalism with a core of political, bureaucratic, economic, and technocratic elites devoted to the public interest and the welfare of the public sphere, the developmental state seems to see its historic role as one of development; that is to say, fostering a rapid process of capital accumulation, industrialisation, and massive investments in social infrastructure and human capital. The state/political elite and their objective allies that preside over this project of hegemony construction – for this is what it is – often attempt, at the ideational level, to define the public interest in such a way that it would elicit an appeal across societal cleavages of class, ethnicity, politics, religion, geography, etc (Mkandawire 2001; Adejumobi 2003: 161). Within this context, critical choices are made between market-led development and state-led development; between determinedly, deliberately, and deliberatively influencing 'the direction and pace of economic development by directly intervening in the development process' and 'relying on the uncoordinated influence of market forces, to allocate economic resources' (Beeson n.d.: 2).

The choice has often been in favour of the former strategy of development, but in partnership with the private sector, business interests, and other salient social forces. To all appearances, choice, *not* chance, informs development, and has informed development everywhere, across time and space. The imposition of the United States's highly perverse and iniquitous version of capitalism by the World Bank and the IMF has all but denied developing countries, especially African, the right and freedom to choose other variants of the market economy. Other countries have used these variants 'to achieve societies with less inequality, greater security, better health and education, especially for the poor (Stiglitz 2004: xv). According to a corporate analyst, 'only the people of a country can make development possible as well as sustain it … and the choice must be theirs and no one else's' (UNDP 1999).

Proponents and exponents of market orthodoxy disagree that the success of the contemporary developmental state has been more a function of the relative economic management of the state than evidence of the superiority of the market. In practice, however, there are different patterns of state interventions, perhaps on account of the different resource bases that different development states command (Sibanda 1993: 44). It should be expected, for instance, that developed industrialised states and the newly industrialised/industrialising states cannot be placed in the same category as developmental states that rely almost exclusively on minerals, natural resources, and oil. What binds these states together, despite peculiarities in terms of structural and development profiles, is that they all tend to combine the best of state interventions and markets through a fairly rigorous and robust planned development strategy (Lazar 1991: 3). The idea of the interventionist state works in tandem with the ideology of *developmentalism* such that the state not only disciplines capital, but also guides, directs, and uses the market for specific national projects, but without necessarily replacing it (Meinsenhelder 1997: 280; Sibanda 1993: 45). Yet, it is a myth that wherever developmental states have been constituted, there has been a total dependence on the market (Wade 2005: 31–32; Good 2002: 138; Fabricus 2006). To be sure, the market is vital to the extent that it is capable of making states behave rationally in the economic sense. The point, however, is that unlike what neoclassical and neoliberal economists would like us to believe, the market is far from being an economic process. Rather, markets are 'dynamic social systems which are matrices of competing interests and clusters of power' (White 1984: 101).

The state is one of the major means used in regulating power, both its virtues and vices. If much of the contemporary literature on the developmental state is anything to go by, it can safely be asserted that the state has played a central role in virtually all countries that have had exceptionally successful economic development. The economic development process revolves on a combination of market mechanism and state management, with the latter encouraging private enterprise and promoting growth. Hong Kong, South Korea, Malaysia, and Singapore, among others, are key examples of this development strategy, which consists of, among other things, the protection of infant industries and the establishment and maintenance of large conglomerates that serve as the backbone of the economy and dominate its commanding heights (Sibanda 1993: 46). Thus, for Edge (1998: 333), a developmental state is 'one in which the state is the primary agent of socio-economic change and actively organises and directs it'. It plays this role by 'promoting national development through institutionalised patterns of policy intervention, guided by a national development plan that places it central to the development process'.

But the state is nothing without the wherewithal to deliver; hence the emphasis on the capacity of the developmental state to implement public policies efficiently and effectively with a view to delivering basic public goods and services. State capacity has been conceptualised as the ability of a government to implement its policies and accomplish its many goals, principally regulatory, administrative, technical, and extractive. An efficient, capable, disciplined, professional, skilled, and relatively autonomous bureaucracy and technocracy, driven by a nationalistic political elite that privileges economic development, are generally regarded as critical elements of state capacity. The bureaucracy uses the market to formulate national goals, but is not under the direct control of the local capitalist class. It also has in abundance competence and resources to implement national goals formulated in tandem with state managers. Indeed, without a seasoned and development-oriented bureaucracy, state interventionism would, in all probability, amount to little more than the unwitting transfer of public resources to the local capitalist class (Brautigam in Solomon 2006; Sorensen 1996: 39–40; Chibber 2004: 11–12; Evans & Stephens 1988; Meinsenhelder 1997: 295). Mkandawire and Soludo (in Solomon 2006) have suggested that state capacity goes beyond the prowess and ability of technocrats and refers to sustainable institutional structure.

Furthermore, the developmental state is able, given the rapid accumulation and diffusion of social capital or the social construction of economic institutions and public action, to pursue cohesive and coherent development-oriented policies and programmes (Bagchi 2000: 432). A major explanation for social cohesion is the relatively strong alliance and consensus between, on the one hand, the political elite and the bureaucracy and, on the other, these two groups and the local capitalist class in terms of the articulation of the goals of the polity and the means to realise them. Another plausible reason is the relatively broad degree of popular legitimacy that the developmental state enjoys in the eyes of the population and the climate of trust and co-operation this elicits among key social forces, including civil society organisations, and political and business groups. The social capital thus generated is invaluable in the construction of a developmental state. The developmental state is also characterised by a general commitment to savings and investment, not conspicuous consumption, for the purposes of promoting economic growth and competition (Gyimah-Boadi & Van de Walle 1996: 214). In South Korea, it has been shown that the alliance forged by the capitalist class with the political elite and the bureaucracy around state-led industrialisation was not because that class was more nationalistic than elsewhere, but because it was, rather, a function of enlightened self-interest. On account of export-led industrialisation (ELI) grafted onto import substitution industrialisation (ISI), the capitalist class needed the state to shield it from the negative impact of stiff international competition. Invariably, 'firms in ELI had an incentive to abide by the state-building project, for a strong state was an important ingredient in acquiring success in export markets' (Chibber 2004: 12). South Korea also had a highly developed and militant working class, a direct result of decades of strong relationship between the state and capital. Workers have not shied away from agitating for their own share of the development process.

It is within this context that the developmental state is conceived as a crucial stimulant and organiser of socioeconomic progress, as well as a major agent of social transformation in both capitalist and socialist economic contexts (White 1984: 97). By the same token, it is described as 'a very distinctive institution' (Beeson n.d.; White 1984: 98) in terms of its social basis, institutional forms, modes of operation, and developmental impact. On account of the deep and broad-based relationship between the state and the market and among major social forces, the developmental state is said to constitute a secure organisational environment defined by a basic ideological consensus (Meinsenhelder 1997: 295). The developmental state is also defined by its massive public investment in social and physical infrastructure and its attempts at creating new visions of society capable of unifying the interest of the capitalist class with those of the larger population.

I have argued that state capacity is crucially important for the very idea of the state. But capacity amounts to nothing if the state is a captive structure, or if it suffers from lack of autonomy from intrusive or parasitic social classes and forces powerful enough to make it serve class/elite interest as against the public interest. It is contended that the state apparatus in a typical developmental state is functional, effective, and efficient precisely because it is relatively disconnected by historical circumstances from property holders as a class (Meinsenhelder 1997: 295). Furthermore, a high degree of state autonomy tends to induce coherent collective action. Similarly, variations in state capacities are likely to engender differentials in economic performance. By the same token, more autonomy should give rise to less inequality, and vice versa, and a low degree of inefficiency is likely to sit comfortably with a low degree of autonomy. While, as we have seen, the success of a developmental state is partly a function of its capacity to have an effective relationship with the domestic business class, the ideal relationship between an aspiring developmental state and the local capitalist class has been described as *embedded autonomy* (Evans 1995; Meisenhelder 1997: 295). This refers to 'a felicitous mixture of the autonomy to promote long-term growth with high levels of accountability to society' (Van de Walle 2001: 40). As Evans (1995) explains:

> the successful developmental state [needs] to be both close to, and distant from, the business class it [seeks] to influence and nurture … the state has to be sufficiently embedded in society so that it [is] capable of implementing its goals by acting through social infrastructure, but not so close to business that it [risks] capture by particular interests and [is] thus incapable of acting in the wider 'national interest'. Prescriptively, the developmental state is expected to be embedded in a concrete set of social ties that binds the state to society and provides institutionalised channels for the continual negotiation and renegotiation of policies.

The autonomy question and its corollary – the insulation of the state from non-public interests and interest groups – are very important points. The essence of state autonomy/insulation is to ensure that the state deploys its capacities to formulate long-term development policies that are not merely the aggregate of the demands and interests of some social groups, in particular elite ones. Autonomy and insulation are also required to ensure that the state continues to play a leading and primordial role in the implementation of such public policies (Mkandawire 2001; Sorensen 1996: 36). While a strong state is a social necessity in light of rapid development and modernisation, the requirement of autonomy on the part of the developmental state is a function of the need for social anchoring on the part of the state. By so doing, the state would avoid the temptation of predation and make the legitimation of its autonomy easier to realise in the wider society (Mkandawire 2001). There is little doubt, however, that the notion of *embedded autonomy* is problematic, not least because it does not lend itself to easy appreciation. Even in the archetypal Asian states, the *intensity* and *extent* of the relationship between the state and capital has limited or circumscribed the autonomy of the state in an uneven manner. Furthermore, the influence of non-state organisations and actors on state policies in the Asian Tigers has been considerable and pervasive. Thus, the argument can be made that developmental Asian states were not isolated from all particularistic interests, but from *the particularistic interests of some particular classes or social forces*. In the same vein, those states that enjoy *embedded autonomy* logically ought not to be as authoritarian as those that do not. Yet, many a so-called autonomous state is at once authoritarian and people-unfriendly (Mkandawire 2001).

Variants of the developmental state

I have alluded to the fact that there is no single model of the developmental state, since development is a multifaceted and multidimensional social enterprise. Sibanda (1993: 44) has observed that 'the Newly Industrialising Countries … do not constitute a homogeneous bloc holding out a uni-dimensional role model for other developing countries'. While all of them are called developmental states, each of them manifests different combinations of market-driven and state-propelled policies. These are informed, in varying proportions, by national interests and the exigencies of contemporary globalisation, including those of knowledge-based industrial development (Wong 2005: 171–72). Thus, while development in Malaysia and Singapore is driven by a combination of ISI and ELI (or EOI – export-led industrialisation) – that is to say, market mechanism and state management, under the aegis of an 'efficient, technocratic and managerialist bureaucracy' – Hong Kong has tended to privilege EOI and capital laissez faire. The latter's peculiar history of the supply of capital, labour, and entrepreneurial skills from China has facilitated this brand of dependent capitalism. In the early stages of its development, Indonesia enjoyed the services of an extremely nationalistic and protective technocracy, whose investment policy avoided total reliance on foreign investment, but rather privileged joint ventures between foreign and national (or domestic) investors.

Japan's development was mapped out and directed by a pilot agency, the famous Ministry of International Trade and Industry (MITI). Reputed to have enjoyed considerable legitimacy, MITI has been credited, among other things, with the nurturing and management of indigenous business in the national interest and the constitution of an efficient bureaucracy staffed by the nation's best, ablest, and brightest (Sibanda 1993; Haque 2004: 229; Beeson n.d.). In South Korea, EOI was imposed not by the market, but by a strongly interventionist state. While it did not manage the economy all of the time, the state was successful in protecting infant industries such as car manufacturing, machine tools, and electrical equipment, etc. It also established and maintained large conglomerates that more or less dominated the Korean economy. Again, whereas large firms dominated the economy of Singapore and accounted for the bulk of the exports, pride of place was accorded large public enterprises in the Taiwanese developmental state (Sibanda 1993: 46).

In sum, in East Asia, three main features are common to the countries involved. Firstly, the developmental state is central to the economic and societal transformation they have undergone. Secondly, they have experienced, in varying proportions, substantial and sustained increases in per capita income. Thirdly, the developmental state continues to be relevant in economic development, given the different levels of development and different state capacities at the disposal of each of them. There are differences of development strategy between North East and South East Asia; however, the latter is characterised by a more limited form of state intervention and activism than the former (Beeson n.d.).

As far as the African continent is concerned, it has been claimed that Botswana, one of the fastest-growing economies in the world, has evolved a developmental state through a combination of the following factors: a strong state; foreign aid and a market economy; the active promotion of the national interest; enlightened political leadership; a capable bureaucracy, sound statecraft, and political openness; effective government performance; respect for constitutional order and democracy (however formalistic and dull); the avoidance of the predatory diversion of mineral resources (copper, nickel, and, much more so, diamonds); considerable (rural) infrastructural development since 1974; shrewd fiscal management, as evidenced by large interest-bearing foreign reserves; and careful investment abroad. Over the past several years, the latter has grown to be the second-largest revenue item of government budget after diamonds (Edge 1998: 339ff; Molomo 2001).

Like the Asian Tigers, the Botswana developmental state, no less than its Mauritian counterpart, sets little store either by post-electoral democracy or distributive politics. More specifically, Botswana is characterised by the coexistence and cohabitation of vast riches and rampant poverty, as well as widening income inequalities. Although a policy of social and welfare grants exists, as in South Africa, it does no more than scratch the surface of poverty. This phenomenon is partly explained by the failure of the political elite and the business class to 'stimulate a large-scale, internally generated, competitive manufacturing sector' and diversify the economy, despite impressive infrastructural development and economic growth (Edge 1998: 333; Molomo 2001: 2). Yet, one of the ways of achieving development is the redistribution of power between social classes with a view to facilitating an egalitarian pattern of development (White 1984: 116).

One explanation for the lack of power redistribution and an egalitarian pattern of development in Africa is the continent's unequal and unjust integration into the global economic/trade system. The latter, as copiously exemplified by the relations between African states and the G8 in the World Trade Organisation, prioritises corporate profits above social objectives (Jawara & Kwa 2004: 304). What this phenomenon translates to in state–society relations on the continent under both neoliberal globalisation and neoliberal democracy is the reinforcement of what Ake (2000; 2001) refers to as the 'democratisation of the disempowerment of the African people'. In contrast to emerging developmental states such as Botswana, Mauritius, and South Africa, South East Asian governments are credited with having created conditions for labour to benefit from high economic growth. The latter, pursued in its narrow sense, has always been problematic. But when development is valorised in terms of human security, human needs, and human rights, benefits are likely to be more broadly based. Added to that is investment in the development of the poor and their mobilisation to participate in, and contribute to, economic growth policies that, invariably, facilitate poverty reduction (Edge 1998: 342).

Before we briefly examine the nexus between development and democracy, it appears apposite to make the following observations. Firstly, following Mkandawire (2001), there is an inherent tautology in much of the discussion on the developmental state. The result is that the evidence of a developmental state is deduced from the performance of the economy, while failures and setbacks are hardly accounted for. Secondly, insofar as developmental states are *not* homogeneous, having used different policy strategies to develop, all actually existing 'developing' or 'underdeveloped' states can reasonably hope to become developed in the long term if they meet certain conditions. In other words, countries that are serious about deploying their human, physical, financial, administrative, and political resources in the task of economic development and designing government policy to encourage economic growth (Mkandawire 2001; Beeson n.d.: 11) have a strong basis to aspire to become a developmental state. Additionally, such states must have a clear working definition of development that is situated in a given historical context. Developmental problems and the challenges of nation building must be historically determined.

Thirdly, only those countries with state/political elites and bureaucracies that are ruggedly and productively nationalistic and patriotic vis-à-vis the dictates and imposition of the BWIs and the IFIs are likely to make the transition to developmental states. But no trophies or victories are won in advance. This is because central to the construction of a democratic developmental state, no less than a developmental state pure and simple, is the politics of interests. There is the danger that this brand of politics may eventually obstruct, rather than facilitate, the construction of a developmental state. Fourthly, and related to the foregoing, the purposes of democracy and development can best be appreciated only in an incremental manner. Development and democracy are shaped by a mix of various factors that summarise a host of processes in society, including the mobilisation of consent. Real-life political and development issues and processes are characterised by manifold crises and ups and downs. There are no settled questions, and there is no consensus on the most critical and fundamental issues of the day. Questions and issues are permanent objects of interrogation. This explains why nowhere has history ever recorded states with full democracy or full development.

Fifthly and finally, it is important to underline the fact that the developmental performance of Asian bureaucracies was not based on 'some cultural-ethnic attribute or some deeply rooted historicity'. Nor was it a gift from the gods as an act of benevolence unique to a given people and not to others. The high-performing bureaucracies are, in reality, 'hard-won edifices constantly under construction' (Evans in Mkandawire 2001), much in the same way that development is not a ready-to-be-installed institutional artefact. Hence Obi's contention (2001: 157) that 'the imperatives of African development lie less with what is approved externally, and more with what is done locally, especially in the ways people participate in, shape, and define their own agenda of self-reliant development'.

The democracy–development nexus

There are at least three approaches linking democracy and development in the literature. The first approach, popularised by Lipset as early as 1959, posits that there is a correspondence between democracy and higher levels of economic development. It also argues that the likelihood of democratic consolidation is higher in contexts of economic growth and development. This perspective stipulates that democracy and development should be simultaneously pursued. The second approach, whose major intellectual supporter is Samuel Huntington, contends that poor countries that aspire to development and industrialisation should hold democracy in abeyance until the goals of economic development and prosperity are attained. The assumption of this approach – summed up as *development first, democracy later* – is that demands by poor people for unproductive consumption would hurt and derail the process of economic development, in particular savings and investments.

The third approach underlines the need, particularly in poor countries, for 'a feasible simultaneity of the processes of democracy, development and poverty reduction' (Solomon 2006). The kernel of this argument is that in the democracy–development nexus, Africa is at a crossroads: it has to pursue the two processes in tandem, to the extent that there is no democracy without development. Or, as Ake (2001) has argued, the path towards simultaneous sustainable development and democracy is 'to collapse both processes into one by making development itself a process of democratisation'. This could be done through the agency of participation and empowerment; that is to say, by making politics more inclusive and confronting the severe vulnerabilities of the majority of the African population. Yet, most African countries, not least Nigeria, could not be more ill prepared for this engagement, given the ravages of the economic structural adjustment programmes (SAPs) since the mid-1980s, as well as the venality and incompetence of their political elites. What orthodox market reforms have done, no thanks to its pseudo theory/policy of 'rolling back the state', was to cut down on capital and welfare spending, especially in key human resources development sectors such as health, education, housing, public transport, and rural and urban infrastructure. Recurrent spending was left virtually intact, particularly on security and national sovereignty, a phenomenon that has empowered the state to deal ruthlessly with critical constituencies that oppose people-hurting market reforms.

The African state needs to be rescued from the pangs and pains of market orthodoxy and be made an effective agency of growth and development. The point is that there can be no development without an effective and efficient state. Without a performing state that delivers basic services across all known divides (ethnic, religious, regional, class, etc), many in poor countries are not likely to feel that neoliberal democracy has brought them any dividends. In view of the failure of the authoritarian, post-colonial state, in its different forms and manifestations (one-party, militarist, post-national liberation, structurally adjusting/privatised, etc) to achieve rapid or accelerated development in much of the continent, it is fairly evident that if Africa wants to begin to experience real growth and development, it has to do so democratically. The problem is that the democracy model that the continent has been saddled with is alien to the history and political culture of Africans. In a fundamental sense, the African continent is nothing but an expansive network of informal relationships and affective ties hinged on kinship ideology. People are far from being atomistic or individualistic, but are glued together as a community. Yet African communities are also separated by class cleavages, even though the debate persists as to whether this was so during the pre-colonial period. At any rate, as the poorest of all the continents, by virtue of the perverse externality and continuous pillage of its immense natural, human, mineral, oil, forest, and fish resources, neoliberal democracy can have no meaning on the African continent unless it has a social dimension and addresses salient issues of class relations, elite privileges, and the distribution of power and resources (Amin 1996; Haynes 2001: 49, 79). If democracy does not become an article of faith and a cardinal principle of governance, little value would be added to the construction of a developmental state.

One reason why neoliberal democracy, as a migrated structure, has had such a poor record on the continent is because it is far from being the global model that its ideological proponents claim it to be. It is also at variance with 'more indigenous notions of participation, legitimacy and constitutional procedure' (Van Binsbergen 1995: 28). Worse, the imported/imposed democracy model has been further trivialised and bastardised as *democratic electoralism*, a brand of democracy that has been anything but potent in reversing the decay and despotism that had assailed and imperiled substantive citizenship on the continent (Good 2002: 13). One reason many 'democratically elected' dictatorial African leaders are at home with neoliberal democracy is because, according to Ake (1997: 282), this version of democracy 'has been trivialised to the point that it is no longer threatening to power elites around the world, who may now enjoy democratic legitimacy without the notorious inconveniences of practising democracy'. While neoliberal democracy may be instrumental in giving some political space to hitherto excluded and marginalised ethno-nationalities and social groups, and may serve as a potent weapon to expand the spheres of democracy and valorise its social content (Sandbrook 1996: 138), it could also be counterproductive. It has often proved to be a double-edged sword in the hands of political elites who set little store by social democracy. Such elites have tended to use neoliberal democracy in many nominally democratic African states (and elsewhere) to limit democracy in the name of democracy. In George W. Bush's United States (2000 to date), democracy has been under attack, supposedly for the sake of national security and, since the terrorist attacks of 11 September 2001, for purposes of safeguarding 'global security'.

Tied to the foregoing is that the character of the post-colonial/post-adjustment state in Africa is responsible for the harvest of generally bad political leadership. Since the state is squarely at the centre of the contemporary crisis of democracy and development on the continent, neither the state, as it is currently configured, nor the political leadership it has spawned can logically provide the solution to the crisis. Similarly, neither social nor popular democracy can be achieved through the 'deepening' or 'consolidation' of neoliberal democracy under globalised capital. This can only be done through the disciplining of the state by society *qua* society and the state's subordination to the democratic and developmental desires and wishes of the mass of the people (Neocosmos 2004: 210, 214).

How then do countries so entrapped move towards democratic development and become developmental states? There are at least two mutually reinforcing ways of doing this. The first, to which I have referred, is the reconstitution, restructuring, recomposition, and revamping of the state *qua* state. This will be done with a view to rendering the state effective and efficient and placing it at the disposal of ordinary citizens who most need its services. What has failed in Africa and failed Africans is not so much the state *qua* state as a particular type of state (post-colonial, post-adjustment). Thus, the question of jettisoning the state in favour of a largely donor-driven civil society does not arise, nor is it a viable alternative.

The dilemma, to be sure, relates to the *modus operandi* and the *modus vivendi* of achieving a true developmental state. In other words, should Africa proceed by authoritarian or democratic means? My argument, to reiterate, is that the continent can only develop democratically. In the *World Values Survey* carried out in the 1990s, whereas 54,9 per cent of Senegalese interviewed believed that their country's economic system needed fundamental changes, the corresponding Nigerian figure was 85,8 per cent, compared to only 29,6 per cent in Western countries. Similarly, while 71,2 per cent of Senegalese (compared to 70,5 per cent of citizens in the West) favoured *gradual reform* of society and politics, the Nigerian figure was 55 per cent (Haynes 2001: 143).

What this suggests is that Nigerians are more in a hurry to see the constitution of a developmental state in their country. The *Survey* also suggests that Nigerians appear available for mobilisation, at critical junctures, not only to stir the state/ruling elite out of their political lethargy, but also for development purposes.

The second way is through the gradual diffusion of the *democracy idea* and the *idea of the state* to all levels of society through the agency of political education. Sklar's (1996: 308) famous contribution to this debate is his notion of *democracy as a developing idea*: that democracy is not so much a settled social category as a *process*; that is to say, an idea that is 'acquired in bits and parts' and whose 'meaning is enriched by contribution from all cultures and nations'. Haynes (2001: 197) sums up this position as follows:

> when leading political actors sincerely value democracy, that is, when the idea of democracy as a desirable political outcome serves as an important factor informing political decision-making, then, gradually democracy can be built – even when unpropitious conditions, such as a weak economy, or a politically active military, make the outcome seem unlikely.

A democratic developmental state in Africa?

It can be argued that African states (at least some of them) can become developmental states if they use their varying strengths and capacities to promote growth and undertake economic transformation. African governments and societies that are genuinely committed to holistic development can be boosted in their political/social labour Beeson's (n.d.) observation that all states are developmental insofar as 'government policy is designed to encourage economic growth'. The problem is the determination of the best way to go about doing this, in light of the increasingly vulnerable and tenuous economic position of African countries in relation to the globalism of the Triad and its allies. Beeson (n.d.) also makes the important observation that the transformation of East Asia was a surprise, not least to radical scholarship. He states that as late as the 1960s and 1970s,

> influential strands of radical scholarship continued to question whether the 'peripheral' parts of an increasingly interconnected global economy could ever hope to escape the predations and exploitations of the established industrial heartlands of Western Europe and North America.

Further optimism is provided by Mkandawire's (2001) analysis that African and Asian states and societies share certain characteristics and attributes (such as clientelism or neopatrimonialism and close ties between business and the state) that in the former have been used as evidence of a 'captured' state and in the latter as evidence of the embeddedness of state autonomy. Thus, for him, African states could become developmental not least because

> analysis by institutionalists suggests that the view of the autonomy of the state in the 'Asian miracle' countries is an oversimplification and the argument for state technocracies pursuing development in complete isolation from societal pressures is a myth and is not empirically founded.

The literature on the 'possibility theorem' of the replication of the developmental state in Africa is mixed. While some scholars are in denial of the existence of even the most rudimentary or basic institutional and infrastructural capabilities at juridical independence in the 1960s, others argue that, before the imposition of economic neoliberalism, there was evidence of developmentalism in Africa. Putzel (2005: 9–10), a representative of the former tendency, argues that, from the time of independence, African states have been ill equipped for development. As evidence, he points to very poorly formed markets, limited productive capacity, poorly formed and funded health and educational systems, very low skills levels, weakly integrated territories, and skeletal administrative systems. This informs his argument that on account of this institutional and capacity deficit, much of Africa has been unable to create either the economic basis for growth or the conditions for democratic governance.

Mkandawire (2001) has furnished one of the most reasoned and persuasive counterpoints to, and rebuttals of, this argument. Three strands of his position appear apposite here. Firstly, on the basis of the high economic performance of the 1960s and 1970s by several African states, most of these countries were ideologically developmental and pursued policies that not only produced fairly high rates of growth in the immediate post-colonial era, but also engendered appreciable social gains and the accumulation of a great deal of capital. The centrality of capital to the developmental state, as well as the need for the state to work with and deal with such capital, cannot be overemphasised. Similarly, the bureaucracies of the immediate post-independence period bested the colonial regime by extending the reach of infrastructure and social services, hence Mkandawire's (2001) contention that 'in a sense, developmental states are not totally alien to African states'.

The second strand of his argument is based on the nature of the so-called African development 'pathologies': neo-patrimonialism, rent-seeking by state and allied elites, lack of technical and analytical capacity, and the softness of the state. He laments that it is not always clear in the writings of neoinstitutional, 'Afro-pessimism' scholarship whether these features that supposedly undergird state–society relations on the continent are structural/pathological or merely conjectural/ephemeral. As long as conjuctural features are not analysed or taken as structural or intrinsic, it can reasonably be expected that 'with the passage of time, the African state will evolve into a more respectable and recognisably developmental form' (Mkandawire 2001). By the same token, Mkandawire contends that there is no clear theoretical linkage between rent-seeking practices and the performance of capitalist economies. It is thus difficult to establish a clear-cut relationship between the two. In any case, nothing suggests that rents can only be used for primitive accumulation, even though, historically, this has been the pattern. Rents can also be transformed into capital through productive investment. Indeed, for Mkandawire (2001), 'what is wrong is not rents *per se* but rents attached to a wrong strategy'. This is because there are both productive and unproductive rents.

The third strand of Mkandawire's argument relates to the weakness or softness of the African state. It is argued in the literature that on account of their weakness, African states are prone to capture by vested interests; lack more or less effective institutions of political authority; have an unenviable legacy of failed reforms; and are, to that extent, unreliable as agencies of development (Martinussen 1997: 226; Gyimah-Boadi and Van de Walle 1996: 215; Wong 2005: 170). African states have, therefore, been hard put to produce the financial, technological, economic, and human capital needed to fulfill their historical mission of capital accumulation. Mkandawire's response is to question the good faith of the World Bank and IMF in insisting on disembedding the African state from its social roots on the pretext of freeing it from the probable grip of local vested interests. In the process of doing the latter, the state has become more beholden to capital, its drivers (the IFIs and transnational corporations), and its Western guardians than to the citizenry. Mkandawire (2001) also questions why the World Bank and the IMF have religiously prescribed a delinkage between public power and private wealth on the continent, when development in Asia and elsewhere is anchored on a deep-seated relation between the two. The consequence is that it has become extremely difficult for Africa to replicate the Asian experience in terms of 'the significance of the dependence of the state on the activities of the private sector for its development strategy' (Mkandawire 2001). As Leftwich (in Beeson n.d.) has argued, 'it seems unlikely that it is possible in the modern world for any society to make a speedy and successful transition from poverty without a state that, in some respects, corresponds to this model of a developmental state'.

Tied to the foregoing are the thesis of an 'ideology-less' political elite in Africa and the inference that a developmental state is not a high priority on the continent (Van de Walle 2001: 133). Mkandawire (2001) believes that to say that African states and leaders lack an ideology of development is to suggest that Africans have culturally rejected development. Another way this has been formulated by those cynical of African development is that African cultures have been largely antithetical to development. Yet nothing could be further from the truth. For Mkandawire, the first generation of political leaders was 'developmentalist' almost by definition: the logic of colonialism and the entire nationalist political struggles against it could not have dictated otherwise. Similarly, commitment in the immediate post-independence era by the political elite to nation building and its handmaiden, state building, was an eloquent testimony to developmentalism. The problem is that, unlike the first generation of African leaders who sought development more endogenously, the second generation, weaned on market orthodoxy, appears less resistant to exogenous policy initiatives, however inhibitive of national and nationalistic responses to externally imposed development policies these may be. According to Mkandawire, from the mid-1980s onwards, Africa's political and bureaucratic elite

> embraced privatisation and attraction of foreign capital as centerpieces of policy initiatives. Ominously, these leaders are more attentive to the apprehensions and appreciation of international organisations than to their domestic capitalists. While assiduously cultivating a good image in the eyes of international financial institutions ... and seeking out foreign capital, they tend to have a jaundiced view of domestic capitalists, whom they hold in spite and incessantly vilify for parasitism, failure to set up modern enterprises able to compete internationally (Mkandawire 2001).

African states are the most vulnerable and the most exposed to the policies of the IFIs and the vices of neoliberal globalisation. Increasingly, the problems of grappling with market reforms have been compounded by the widening gap, in the words of Castells (2005: 10), 'between the space where the issues are defined (globalisation) and the space where the issues are managed (the nation-state)'. Increasingly bullied by the World Bank, the IMF, and transnational capital to rapidly liberalise their trade and privatise virtually all sectors of economic activities (including the provision of infrastructure), African states have become the worst victims of neoliberal globalisation. They have hardly, except for isolated pockets, been able to formulate nationalist responses that would reflect the political values and ethics of their specific contexts and the cultural and social realities of their people. On the contrary, one gets the impression that state/political elites have appropriated the wrong notion that all they need to do for development to take place is to attract mobile foreign capital and investment and serve as its handmaiden. They also seem to believe that failure to do so would elicit the wrath of both the market and the donor community. They end up adopting poor macroeconomic policies that engender bad macroeconomic performance and life-threatening social consequences (Bagchi 2000: 435; Beeson n.d.).

Rather predictably, the result has been disastrous. For one, because of its lack of independence from the globe's most powerful nations and their political and policy preferences, the IMF's lending to Africa has hardly led to any significant progress on the continent (Stone 2004: 590). For another, the little development recorded before market reforms were embarked upon soon came unstuck in the presence of externally induced severe structural inhibitions. Moreover, as in Latin America, market reforms have emptied the African state of its capacity to develop and formulate robust and coherent nationalist responses to the increasingly pervasive competitive and regulatory pressures of globalisation, deliver social services, and seriously address the key problem of equity; that is, the vast and growing imbalance of wealth, income, and power. Yet, following Rousseau (in Good 2002: 173), democracy is more than a form of government; it is, on the contrary, a whole society founded on the principle of social equality. Moreover, because economic reforms are often divorced from the 'software' of effective governance (an independent judiciary, civilian control of the armed forces and police, broad access to information, autonomous and effective regulatory agencies, and other institutional constraints on executive power), market reforms, particularly macroeconomic policies, investment, and the provision of physical infrastructure, have amounted to very little (Beeson n.d.; Lowenthal 2000: 46, 54).

Given the extent of the demonisation of the post-colonial African state in the last three decades or so, it appears necessary to say a few words on the contribution of market reforms to the loss of capacity by African states. In the absence of what it takes to be attractive to global markets and investors (in terms of relevant infrastructure; competitive interventionist strategies; a truly or highly liberalised economy in which the market reigns, but the state rules; a skilled work force; etc) similar to Singapore (Haque 2004: 235), African states are subject to a double jeopardy. Market reforms are neither attractive to domestic, let alone foreign, investors, nor legitimate in the eyes of the mass of the people. The much-vaunted pact between labour and capital hardly exists, partly because the latter is weak and much of it is transnational (Chibber 2004).

Mkandawire (2001) has observed that SAPs have so maladjusted the African state that the latter has increasingly lacked the capacity to assume and assure basic services, let alone pursue development in a consistent manner. A scapegoat of and guinea pig for sundry reform experiments and pet ideas of different foreign experts and their domestic supporters, it was not so much the state *qua* state that was rolled back as the capacity of the state to perform. Van de Walle (2001: 13, 50, 130), a member of the neoliberal school, has lamented that whereas market reforms were a function of the state's limited capacity, endemic corruption, and grave deterioration of public infrastructure, they have hardly achieved their stated objectives. Rather, the situation has worsened on all counts. Neoliberal reforms and aid have also combined to undermine the capacity for institution building. What market reforms have done is to denude the state and the society of hitherto existing nets of social solidarity and to expose the reconstituted state to the utmost public opprobrium, particularly in terms of its delegitimisation in the eyes of the citizenry (Lemarchand in Post 1996: 168). This is a vexed issue insofar as industrialisation has virtually disappeared from the core concerns of the IFIs. The emphasis has been on issues such as poverty reduction, education, health, water supply, good governance, and environmental protection. These issues are not unimportant; but the problem is that they are a very poor substitute for capitalist industrialisation (Wade 2005: 22).

It has been suggested that a combination of the following variables are needed to face the serious challenges of generic and neoliberal globalisation: democratic pluralism, a social coalition for growth, a productive relationship between the political elite and the business elite, policy learning by the population, an affective and efficient politico–technocratic leadership with organisational and mobilisational capacity, and a highly developed capitalist class (Gyimah-Boadi & Van de Walle 1996: 220; Van de Walle 2001: 2). By the same token, it is vital to reorient public spending away from recurrent conspicuous consumption toward long-term investments in physical and human capital (Gyimah-Boadi & Van de Walle 1996: 215). It should be emphasised, however, that all the foregoing factors will amount to little or nothing unless the state becomes progressively reconfigured so that it can begin to respond to the challenges of neo-liberal globalisation in ways that are capable of increasing its power of domestic leverage and decreasing its degree of vulnerability (Beeson n.d.). To what extent does Nigeria fit the bill?

The Nigerian state

The post-colonial/post-adjustment state in Nigeria has variously been described in recent literature as a 'predatory autocracy'. In relation to reformist/paternalistic autocracies, the latter is not only characterised by policy instability, but it also has an underdeveloped economic infrastructure and very scarce provisioning of public goods (Eifert et al 2003). On account, since January 1966, of successive military regimes (and occasional elected civilian governments that have behaved more like the civilian faction of the military elite) that have devastated the country's economy and politics and preyed on the society and people, the process of crafting and constituting a developmental state in Nigeria has been excessively crisis prone, tortuous, and sluggish. Political instability and policy reversals have also taken their toll on the development process. From the infectious optimism of rapid economic growth and development at independence on 1 October 1960, the script has virtually changed, 47 odd years later, to one of recomposing, reconstituting, and revamping the Nigerian state and society. The First Republic (October 1960 to January 1966), highly vilified by domestic and external analysts alike for volatile, ethnic, regional, and violent politics; nascent corruption; and dependent development, constitutes, in retrospect, the country's golden era. Nigeria seemed, at that time, to have met many of the following criteria for economic development: an investment climate relatively favourable for sustained growth; the gradual empowerment of the people with a view to participating in growth and development; a development consensus among the government, emerging private sector, and labour; social capital or trust between the state and non-state actors and agencies; some measure of political stability; human development; the constitution of a domestic entrepreneurial group, etc (Asare & Wong 2004).

With the rise of militarism, predatory politics, and bad/corrupt governance that have privileged politics above service and rubbished hitherto existing moral and ethical standards in the public sphere, the country's commonly shared core values and national identity are lying in tatters (Agulanna 2006; Obasanjo 2006; Ikheloa 2006). Since the early 1980s the situation has become increasingly dire. Firstly, while the country continues to boast of tremendously rich human and physical capital, institutional and infrastructural decay, rot, and disintegration have been the hallmark of the past 25 years or so. Tied to this have been the virtual collapse of social services and the diminution of public spending in real terms (Obadina 1999). For another, structural problems have been created and, as the case may be, aggravated by military rule, corrupt governance, and political exclusion, even under supposedly elected/democratic governments. This is a generic crisis that the oil economy has only compounded and exacerbated. Furthermore, the state, in the throes of market reforms, has all but disengaged from the society in terms of its civic responsibilities (Lewis et al 1998: 7, 80–81).

In general terms, a serious crisis in the political economy of any country should, naturally, elicit fundamental reforms. But to be able to realise their objectives, such reforms must not only be viable, pro-people, and sustainable; they must also be as endogenous as possible. They should not be designed in such a way that the targeted beneficiaries would die of too much sacrifice or completely lose faith in the polity as a result of the reforms before the latter begin to bear fruit. As it turned out, orthodox market reforms on the continent have been implemented only by regimes that are simultaneously ruthless, non-democratic, and authoritarian (Ofuatey-Kodjoe 1999). This has been Nigeria's experience, irrespective of regime type.

As I show below, there is something compelling and intriguing about the complexity of the Nigerian state as it has evolved since independence: almost every official report/document that has been published by the IMF and World Bank since the 1980s has lamented the fact that Nigeria is a rich nation of poor people. And there is something about endemic poverty that does violence to development efforts. The result has been a rather bizarre phenomenon. To cite just one example: almost throughout the eight-year life span of Obasanjo's post-military restoration government, Nigeria received unexpected massive oil revenues due to the commodity's high prices in the international market. This did not, however, prevent the country from being regularly grouped among the poorest 50 countries in the world. Moreover, the UN Development Programme once described the government's efforts in poverty reduction as 'very poor and lacking in accountability and equity' (*The Punch* 2006 [a]).

As in Bolivia (Pilger 2005), Nigerians are entitled to ask why there is so much misery and poverty in the midst of so many riches. It is estimated that between 54 and 70 per cent of an estimated population of 120 million Nigerians were, in 2005, living in squalor; ravaged by hunger and illness; and without access to basics like water, housing, electricity, health services, and education (see *The Vanguard* 2006). But Nigeria is far from being a poor country: it has been pauperised by a combination of imperialism (in its different guises and disguises) and a shortsighted, villainous, and visionless state/political elite. What has been inexcusable, as I show below, is that the more revenues accrue from petroleum (between 1980 and 2000, these revenues officially amounted to over $300 billion or hundreds of trillions of naira), the poorer most Nigerians have become. Worse, much of the time, government planning is blind planning, and therefore bad planning, because it seldom gets its population statistics right, largely because the holding of a national population census has always been a highly political and politicised exercise.

How does one apprehend and comprehend the foregoing phenomenon that has all but defined much of post-colonial Nigeria? I argue that a major and potent explanation is located in the lack of synergy between economic and political reforms, as well as between the state and society. Political and economic reforms from the mid-1980s have been undertaken in isolation from each other and are, therefore, scantly dialectical. Economic reforms have not been designed to improve the country's governance performance, the arrowhead of which is political legitimacy. The flipside is a politics of distribution, broad-based among the political and economic elite, but skewed in favour of objective and subjective allies of politico-military factions holding power at any point in time. This phenomenon constitutes a formidable brake on the country's development (Lewis et al 1998: 88, 70). What is needed is a rich nexus between economic and political reforms in terms of the political requirements for economic reform and the potential impact of reforms on the structure and practice of politics. Energetically and faithfully implemented simultaneously and dialectically, the two reforms are likely to spur real and holistic transformation. This latter will have the potential of empowering the people and building a genuine social contract between them and the state. I argue that it is only reforms designed and executed in this way that appear capable of patiently and incrementally bringing forth strong institutions that will do at least two things: foster political legitimacy and social capital, and spur economic growth/development. If well synchronised, the former will serve as a catalyst for the latter. In Nigeria, in view of the ravages of military rule, much hope is placed on neoliberal democracy to serve as the vehicle for the development of transparent democratic institutions and a relatively rational bureaucracy (Bolden n.d.).

At the root of the lack of a productive nexus between economic and political reforms are the nature and character of the post-colonial/post-adjustment Nigerian state. The same logic of a distant colonial state that did only the minimum to guarantee its aim of exploitation and accumulation in the interest of the political elite is replicated in the contemporary state. One can draw several parallels in the process. Firstly, the major reason for the state's existence is to provide an enabling environment for development to take place via the private sector. Over the past 25 years or so, this role has become too elastic for comfort. On the one hand, it has meant that the Nigerian state, irrespective of the faction of the ruling class/elite in power at any point in time, would grant generous tax holidays to foreign (and domestic) investors, on the pretext that tax may discourage them from investing. On the other, it has meant that as the Nigerian state is encouraged to withdraw subsidies from social spending and agriculture, and reduce budgetary outlays to human resources development (but, interestingly, not to the defence and security sectors), it has, increasingly, been unable to play this minimum role. And nothing seems to have hurt the country's industrialisation and manufacturing sector more than the decrepit and dilapidated physical, social, and institutional infrastructures in place (Olayiwola & Adeleye 2005).

In a related manner, colonialism left the development of the economy and society in the hands of foreign and, to some extent, domestic business people, a phenomenon that market reforms have replicated in the post-colonial era. Thirdly, the colonial economy was dominated by agriculture and trade, much in the same way that these two activities define the structure and character of production in the post-colonial era. Oil, which is the largest revenue generator for the federal government, has contributed little to creating a solid base for industrialisation. Fourthly, 'nurture capitalism' has defined both periods, notwithstanding its evident failure to ensure equitable development. Fifthly, in both periods, not only industrialisation efforts, but also the entire development process has been gravely dependent on external factors. Nigeria is arguably one of the most open economies in the world, where sundry junk goods and services from all over the globe are marketed. There has been little or no restraint from the state; trade liberalisation and privatisation have become an obsession and a canonical principle of governance.

Nigeria's national development plans

Notwithstanding these parallels, Nigerian governments, in particular the ones between 1960 and 1979, have been conscious of their historic responsibility in terms of economic and equitable development. If the goal has yet to be achieved and looks increasingly far-fetched, it is not for lack of efforts, however these are understood and interpreted, but in spite of them.

National development plans (NDPs) are medium-term plans of action conceived as an instrument for rapid economic development. Falola (1996: 155) conceives of a development plan as

> a deliberate attempt at achievement based upon things as they can be seen … it is never an end in itself, but merely a stage in a long process of development which the limitlessness of time … will complete whatever may be the vagaries in the short span of human memories.

In Nigeria, the NDPs underlined, in the beginning, the salience of the state as the prime mover of economic transformation. As the years wore on, they tended to isolate the private sector or the market as the engine of growth and the prime creator of wealth. Again, while the NDPs privileged ISI at independence, they would gradually embrace

ELI, hence the characterisation of Nigeria, since the 1970s, as a mixed economy. On face value, the latter means nothing, since to all intents and purposes all economies are mixed. What is important is which of the sectors is dominant and with what consequences, both for economic development and for the majority of the people. It is important to note that as the foreign capital that the private sector depends on to finance development dries up, rather paradoxically during market reforms, the Nigerian state and the IFIs continue to delude themselves that development largely depends on foreign investments and foreign capital.

While British colonial authorities in Nigeria formulated the 1940 Colonial Development and Welfare Act and the Ten-Year Plan of Development and Welfare, 1946–56, with revisions, 1951–55 and 1955–60 (later extended to 1962), there is general agreement that the notion of development was a misnomer under colonialism. This is because Nigeria, like all other colonies, was part of the British Empire and obeyed the colonial logic of holistic exploitation and enclave economic development. Colonial planning and plans were often flawed and deficient. Firstly, the colonial government was alien and alienating to Nigerians and, to that extent, 'lacked a true understanding of the country's real problems' (Falola 1996: 95). Little wonder that the Integrated Development Programme, considered as the linchpin of the economic programme of the colonial government between 1955 and 1960, floundered for lack of local expertise and the resultant overdependence on foreign experts and expertise. Secondly, there is evidence of path dependency here, namely, that the dysfunctionality in general planning during the 1940s and 1950s is being repeated in the post-independence era (Falola 1996).

It was within the foregoing context that the authors (mainly expatriate economists) of the first NDP, 1962–68, referred to the development blueprints above as nothing but 'a series of projects which had not been coordinated or related to any overall economic target' (Nigeria n.d. [a]). It mattered little that the blueprints demonstrated some commitment, however mitigated, to the welfare of the colonised. The Ten-Year Plan of Development and Welfare, for instance, emphasised, among other things, the stimulation of local industries, the expansion of infrastructure, the provision of electricity, the improvement of communication and of towns and villages, etc.

The first two NDPs, 1962–68 and 1970–74, appeared to have been a bold attempt to drive economic development. The 1962–68 NDP was a mixed bag. It gave the prime interventionist role in the economy to the state, with government providing funds for investment purposes. But the state was equally loath to tax the wealthy, lest private incentive be dampened. Thus, the monetary and fiscal policies were essentially conservative, anchored as they were on openness to foreign trade and investment, and reliance on overseas development assistance. While the NDP paid little attention to the small indigenous sector, and the rate of private investment was low (Nigeria n.d. [c]), the period witnessed the gradual crystallisation of a commercial capitalist 'class' of traders, contractors, and commission agents. The group would become more visible with the ensuing oil boom.

The second NDP was a response to the tripartite programme of reconstruction, rehabilitation, and reconciliation (the 3Rs) that the Gowon military regime put in place after the civil war that lasted from May 1967 to January 1970. The other objectives of the NDP were self-reliance and the restoration of the productive capacity of the state. The NDP benefitted from fortuitous circumstances: the rapid growth of the oil industry and the sharply increasing oil prices consequent upon the first petroleum shock of 1973. These factors would sharply increase real growth in gross domestic product (GDP) from an annual target of 6,2 per cent to 12,3 per cent. The 'oil boom' (as it came to be called by the country's political and policy elite) resulted in inflation, because of conspicuous consumption. But this is only one side of the story. The other side is that part of the windfall was expended on, among other things, massive public works and infrastructural development, and the financing and expansion of primary, secondary, and tertiary education.

Oil revenues also spurred the federal government to attempt the indigenisation and domestication of the economy through the Nigerian Enterprises Promotions Board (NEPD) in April 1972. As in Ghana, Uganda, and Zaire (now the Democratic Republic of the Congo) around the same time, the NEPD, otherwise known as the Indigenisation Decree, was an opportunity for the country to initiate the crucially important process of constituting a capitalist class that would spearhead the transformation of the country's political economy through the construction of a developmental state. Unfortunately, the opportunity, now in its third instance (because of the third oil boom during the Obasanjo presidency) has been missed at each turn. Since the oil boom has continued since the election of President Umaru Yar'Adua in May 2007, it remains to be seen if his government will put excess oil revenues to concrete developmental use.

The third NDP, 1975–80, had the vision of a 12-fold increase in the annual rate of public capital spending in relation to its immediate predecessor. The oil boom had elicited a great deal of confidence that the implementation of the NDP would not flounder as a result of savings and foreign exchange constraints. But that was exactly what happened. Barely three months after the NDP was made public in March 1975, an economic downturn had set in. Wage increases with several months of arrears paid out just before the downturn was also a contributing factor. Several projects were postponed, scaled down, or simply cancelled as projected revenues based on oil earnings proved too optimistic.

The implementation of the fourth NDP (1981–85), the inauguration of which was delayed for about nine months by the Second Republic government of President Shehu Shagari (October 1979–December 1983), was impaired by falling oil revenues and the profligacy of that government. Moreover, exports, projected to rise by 12,1 per cent, fell by about 5,9 per cent, largely because recession in Organisation for Economic Co-operation and Development countries reduced demands for imports from Africa and the rest of the developing world. There was, however, a bright side to this NDP. Formulated by an elected government, the first after 13 unbroken years of military rule, the NDP sought to make development a living reality for the people through the agency of municipal or local government. This was the first time this level of government was accorded the constitutional status of a fully fledged government. The NDP also emphasised the importance of rural infrastructural development as a vehicle for enhancing the quality of rural life (Olayiwola & Adeleye 2005: 93).

By the time the fifth NDP was announced in 1988 by the Babangida regime (August 1985–August 1993), the country was already in its second year of the implementation of orthodox market reforms. Presented as a homegrown, Nigerian variant of the one-size-fits-all SAP of the World Bank and IMF (the latter having been rejected by the country's non-state elite in a rather long and winding national debate), the regime's policies nonetheless fitted the bill of orthodoxy of the BWIs. They also signalled the end of any attempt at or pretension to autonomous development. Indeed, there was an uncritical embrace of free-market capitalism and its main elements of deregulation, flexibility, downsizing, currency devaluation, tariff reduction, trade liberalisation, the privatisation of public enterprises (including relatively successful ones), the promotion of non-oil exports, etc.

As it turned out, the foregoing was merely a wish list. Once the regime got the backing and funds it needed from the IMF, the initial regime discipline and seeming reform coherence dissipated rather quickly. It has been argued that as far as the neoliberal macroeconomic policy framework is concerned, hardly any African country (or any other country, for that matter) has been able to sustain its faithful implementation. The verdict of the IMF in 1993 that Nigeria, as well as Uganda and Lesotho, were 'strong reform performers', out of a total of 15 African states then regarded as 'core adjusted states' by the World Bank, was short-lived (Ayodele et al 2005). The principal reason for this situation was that the externally drawn-up market reform programmes presented as development plans were almost wholly out of sync with the living realities of the majority of Nigerians. Similarly, aid was weakly related to democratic development and economic reforms. It may well be true that, since the effects were so weak, aid would probably have to reach levels of 90 per cent of GDP to make any substantial or lasting difference (Stone 2004: 579).

The concept of the five-year NDP effectively ended with the Babangida regime. In its place the regime introduced the notion of a three-year Rolling Plan. The official rationale for this was that, unlike the NDP, the Rolling Plan could prove more adaptive and resistant to external economic changes and uncertainties. Its design was such that it could be revised annually to accommodate estimates, targets, and projections for another year (Nigeria n.d. [b]). For the Babangida regime, the objectives of the Rolling Plan included the following: the reduction of inflation and exchange rate instability, infrastructure maintenance, agricultural self-sufficiency, and the reduction of the burden of structural adjustment on the most vulnerable groups. By and large, these objectives were hardly realised, to the extent that subsequent regimes have had to grapple with the same or similar problems. The Abacha regime's Vision 2010 and the Obasanjo government's National Economic Empowerment and Development Strategies (NEEDS) and Vision 2020 have sought to contribute to the reform of the country's political economy. Introduced in 2003/04, NEEDS was conceptualised as a reform programme that encouraged private sector operations.

There is little doubt that at its second coming in May 1999 (the first was as a military junta between February 1976 and September 1979 after the assassination of Murtala Mohammed in a botched coup d'etat), the Obasanjo government inherited a political economy that was at once unviable and unenviable. Virtually all the sectors of the economy were in crisis: agriculture, petroleum, manufacturing (capital goods and assembly industries, integrated iron and steel industry, paper mills, and the aluminum/smelter industry), the construction industry, energy/electricity, services and infrastructural, etc (Van Buren 2004). They had all suffered different degrees of neglect, policy reversals, and decay due to a combination of political instability and market reforms. A succinct summary of the military legacy reads thus:

> Nigeria's resources are not fully exploited and many parts of the country remain very poorly developed. Inadequate provision of economic infrastructure such as power, water supply, roads and telecommunications, especially in the rural areas, has proved an impediment to both agricultural and industrial investment (Van Buren 2004: 831).

Coming on the heels of over 15 years of unbroken muscular, repressive, and venal military juntas (among which the Abacha junta, November 1993–June 1998, was arguably the most perfidious and odious), the opportunity of a fresh start to pursue development and self-reliance offered by neoliberal democracy engendered fresh optimism across the length and breadth of the country. Obasanjo also appeared to have been the perfect person for the occasion. Having seen it all (he was a military head of state who had voluntarily handed over power to an elected government in a continent notorious, at that time, for sit-tight military and mono-party heads of states; and had moved on to become a respected international statesman and a strong voice against oppression and injustice in its many guises and disguises), Obasanjo was seen as the man to fix Nigeria. He was seen – and saw himself – as a messiah of sorts. He had famously described post-1979 Nigeria as a 'nation of anything goes' (Obasanjo 2006). It was conveniently overlooked, however, that as a seasoned political general, Obasanjo was likely to be more of a problem than a solution to the challenge of the recomposition of the Nigerian state. Did he not memorably say, in his rather long inauguration speech on 29 May 1999, that all his government had to do was to go back to where it left off governance on 1 October 1979, when he handed over the reins of power to the Second Republic?

The importance of structure and agency to development and democratic consolidation has been underlined in contemporary literature on political transitions. By structure is meant the nature of the structural conditions that elected governments inherit.

Agency refers to the aggregate of the political precepts and behaviour of elected political leaderships to make a difference, one way or the other: either to bring forth such innovations that would encourage democracy and development, or to do otherwise and discourage democratic progress. There is a problem, however. According to Haynes (2001: 6–7):

> we cannot know at the outset how much weight to attach to each. Under what conditions will structure shape action? Under what conditions will the opposite be true? It may well be that some circumstances lead to political continuity, while others favour significant political innovations.

In other words, whereas structures are crucially important in defining contexts for and orientations of political behaviour and decision making, political animals do not have to be captives to them. This is because 'while inherited structures form the context within which political leaders act, individuals are not slavishly bound by structures: agency is also of great importance for political outcomes' (Haynes 2001: 33).

At the time that Obasanjo took over power, the Nigerian political economy was defined, among others, by the following characteristics: militarism and authoritarianism was an instrument of governance; the state's basis of authority and support was anchored on a narrow elite and not on economic performance, let alone civil legitimacy; state power was defined by recklessness and abuse, and was subject to little moral restraint; public resources were largely exploited for the benefit of the state/political elite who were embedded in virtual moral malfeasance; and the oil economy ('the only part of the economy that provides substantial revenues' [Greif & Laitin 2004: 646]) was venal and almost wholly non-transparent (Eifert et al 2003).

With the reintroduction of neoliberal democracy, albeit in an extremely truncated version as highly monetised electoral democracy, the future and fate of the developmental state in Nigeria would depend largely on the response of the Obasanjo government to its structural legacy and the quality of the leadership that Obasanjo gave to the Nigerian state and society. To be sure, the contributions of other social forces – political society, civil society, society writ large, and the international/donor community – were equally salient in this enterprise. An important evaluative yardstick of the import of the Obasanjo government would be the extent to which it effectively or otherwise grappled with the notion of path dependency; that is to say, how 'the authoritarian past shape[d] the democratic present' (Shin & Jhee 2005: 393). In other words, in this specific context, how much of the authoritarian and venal past was in the present, and to what extent did it circumscribe, limit, and jeopardise the future? How did an elected government (however it was elected) with a supposedly clear and manifest mandate and legitimacy deal with this situation?

Given the salience and centrality of oil to the Nigerian economy and in the development–underdevelopment nexus, I will show that what transpires in this sector, given its multiplier effect everywhere, is most likely to determine the extent to which the 'giant of Africa' could become a democratic developmental state.

Oil revenues for creating a democratic developmental state in Nigeria?

In the last four decades or so, Nigeria has become famous globally for three things. The first, for good or for ill, is its fine oil. The others are its rich culture and its multitalented intelligentsia, of which Africa's first Nobel laureate, Professor Wole Soyinka, is the most renowned. But, as the literature copiously shows, the 'black gold' has been more of a curse than a blessing to Nigerians. It has been suggested that 'if Nigeria were to give away all its oil to the military leaders … and their politician friends, and they were to go away with the loot, Nigeria would experience a better quality of life and a better society' (Utomi 2004). The political instability that lasted from 15 January 1966 (when the first coup d'etat took place) to 29 May 1999 (the day the Fourth Republic was inaugurated) was essentially a function of the fierce struggle among different factions of the politico-military elite for the control of oil and allied resources. A major reason why market reforms have been, at best, only partially implemented is because oil money is about the only effective cord that binds together the restive and fractious classes and groups that jostle for political hegemony.

While the three oil booms to date (the quadrupling of oil prices occasioned by the Yom Kippur war of 1973; the $40 per barrel mark oil attained during the Iranian revolution in 1979/80; and the recent high price of oil, which surpassed the $100 mark in late 2007) have provoked both positive and negative changes in the political economy, with the balance sheet tending to be more negative than positive. As mentioned earlier, whatever else the Gowon regime did with the revenues from the first oil boom, it did commit a substantial part of them to funding massive social, physical, and economic infrastructural investments nationwide. The flip side was that the oil boom spurred inflation and underscored inequities in distribution. The Indigenisation Decree, already alluded to, was a bold and concrete plan of that government's extensive intervention in the ownership and management of public enterprises. The programme successfully put in place over a 100 enterprises in sectors as diverse as agriculture, energy, banking, mining, insurance, manufacturing, and transport. But market reforms would all but destroy them, even though between 1975 and 1995 more than $100 billion was invested in these enterprises (Nwoye 2006). Reasons for the failure of this experiment have ranged from inadequate entrepreneurial skills, corruption, shortage of capital that could be invested, and imperfect capital market to an attempt by foreign capital to sideline them from playing a central role in the Nigerian economy.

What was required then (and now) is an interventionist state capable of engaging in coherent and rational development, providing different types of public services to different categories of groups in society, and avoiding discrimination on an exclusionary basis. Clearly, only the state or a particular, socially relevant configuration of the state can justifiably do this. This would be done through financing certain key services via public taxation, protecting the citizenry as consumers from the vagaries of the private sector (in terms of stiff competition, the profit motive, lack of social compassion, etc), protecting national sovereignty and key national interests through well-planned and well-co-ordinated security provisioning, etc. Rather than providing a sound financial platform for the country's economy and serving as the linchpin of the industrialisation drive of the Nigerian state, the latter has rather been held captive by massive oil receipts since the end of the civil war. The centralisation of oil resources and fiscal policy in the military and civilian (or neomilitary) federal government has resulted in a state that is extremely bounteous and highly coveted. The state/political elite who dispense oil rents have virtually privatised state power and the access to almost limitless wealth (Lewis et al 1998: 37; Greif & Laitin 2004: 646; Obi 2004). The 'oil paradox' reaches its apogee here: opulence for the few and wretched poverty for the majority. 'In this … context', writes Obi (2004: 2), 'institutions were greatly weakened, giving place to … the shadow state – a shadow of state bureaucratic agencies based on personal ties'. As argued earlier, rents are not always a negative resource, depending on the use to which they are put. When rents are *not* siphoned off abroad, but productively invested in the domestic economies of the societies concerned with a clear development strategy, they become positive and can add value.

The tragedy of the oil-driven economy and the bane of development is that oil monies are massively under-receipted, looted, and re-looted. With the federal budget in its trillions and state governments' budgets in their billions (crude oil has, over the past several years, accounted for nearly 95 per cent of export receipts), we are talking about a lot of money here, given the multiple devaluations of the naira in the last 20 or so years. In comparative terms, however, for a country of about 120 million people, exports in 2004 amounting to $31 billion and imports of $14 billion are paltry when juxtaposed with the respective figures for the same year of $180 billion and $164 billion worth of merchandise for Singapore, whose population is a little over four million people. The state/political elite perceive these monies as cheap and easy money. They often appear comforted in their misdemeanour and their inability to use oil monies to diversify the economy by the claim (or is it the speculation?) that the country possesses proven petroleum reserves of about 3,000 million metric tons, an amount that may double through further exploration (Van Buren 2004: 831).

The script of the corruption, bad governance, and incompetence of the Nigerian oil industry often reads like a bad fairy tale. Serial corruption – as well as mutual accusation and counter-accusation of corruption – defines the elites' relationship in this sector. Military juntas, while using public venality as an alibi for supplanting fellow coupists in power, often ended up outdoing their predecessors on the corruption chart. Babangida, for instance, refused to account for the over $12 billion oil windfall from the first Gulf war in 1990/91 in the twilight of his government. He (as well as Generals Buhari and

Abubakar) defied the Obasanjo government's Investigation Panel empowered to investigate public spending between 1966 and 1999 by refusing to honour its summons. It has been estimated that Abacha stole about $5 billion of oil receipts. Since it refused to go after Babangida, it can reasonably be argued that Abacha's death and his jailing of Obasanjo may be the main reasons why the Obasanjo presidency was so resolute in recovering the late general's loot and bringing his family to justice.

The Nigerian National Petroleum Corporation and the Central Bank of Nigeria (CBN) have always been unable to account for millions of dollars of oil revenues. This seems to have been a common denominator of all governments since the Gowon years. Between 1999 and 2004, there were flagrant discrepancies in the figures of payments by oil companies and those of the CBN. In the process, the latter could not account for over 30 billion naira (about $240 million) in oil proceeds. According to the audit reports of the Nigerian Extractive Industry Transparency Initiative (NEITI), the country may also have lost about 10 million barrels of oil between the flow stations and loading terminals. The CBN is also given to payment somersaults: sometimes it claims to have received what oil companies had not paid; at other times it announces it has received less; and at yet other times it declares large amounts of money that have mysteriously entered its vaults, but which oil companies did not deposit. In 2000 alone, the amount involved in this kind of exercise was estimated at over $90 million (see, for instance, *This Day* 2006; *The Punch* 2006 [b]).

The Economic and Financial Crimes Commission (EFCC), an anti-corruption organ set up by the Obasanjo government, announced in July 2005 that, between them, the country's military dictators wasted or stole about $500 billion. This is nearly equivalent to the total amount of aid the West gave to Africa in the past 40 years! A handful of Nigerians, particularly those who are or have been in government and those linked to government through business deals or contracts, are far richer than some of the state governments. This explains why the donor community has never been sympathetic to official pleas for blanket debt forgiveness. The donor community in general and the United Kingdom in particular have often pointed out that a few individuals could pay the country's debt several times over (Ayodele et al 2005). While the Obasanjo government apparently set some store by its anti-graft crusade, with the promise that government business would no longer be business as usual, there is evidence that venality did not really abate during its reign. As an illustration, out of the $983 million recovered by 2005 from the Abacha loot, the Senate Public Accounts Committee claimed it found only $12 million in the CBN (*This Day* 2006; *The Punch* 2006 [b]).

On account of widespread venality in the oil industry, as demonstrated above, it has been difficult to plough oil monies into investment in crucially important portfolios such as agriculture, manufacturing, construction, iron and steel, and electric power or energy. The economy has, therefore, hardly benefitted from the multiplier effect of oil. The consequence is that these sectors have been in near-paralysis for several years. Between the mid-1960s and mid-1980s, Nigeria slumped from self-sufficiency in basic foodstuffs to heavy dependence on food imports. Generally considered as the most successful element of structural adjustment during the Babangida regime, agriculture would, in 2001, contribute 34,6 per cent of GDP and employed 32,4 per cent of the labour force (Van Buren 2004: 830). But in view of the general neglect of agriculture since the first oil boom in the 1970s, the modest showing of this sector is not because of (oil money) investment, but in spite of it. On its part, the manufacturing sector has continued to import about two thirds of the raw materials and components that the local industry uses. Due in part to inadequate development funds and the federal government's tough, market-driven fiscal policy, this sector has been operating, since 1983, at less than a third of its installed capacity. According to the National Economic Intelligence Committee, a creation of the Obasanjo government mandated to monitor and give a quarterly report on the economy to the government, in 1977 the corresponding figure was 79 per cent (*The Guardian* 2006 [a]). The story of the integrated iron and steel industry has a familiar ring to it, notwithstanding its salience to both construction and manufacturing. Except for the National Fertiliser Corporation of Nigeria, which saw its capacity utilisation nearly double in three years, from 33 per cent in 1989 to over 60 per cent in 1992; and tyres, industrial chemicals, textiles, and leather products; all the other industries have experienced a reversal of fortunes in the past two decades. Thus, largely due to mismanagement and the lack of foreign exchange, virtually all the steel companies operate only at about 10 per cent of installed capacity (Van Buren 2004: 834).

The same has befallen the construction industry. While it has benefitted from the construction of the second phase of the West African Gas Pipeline, the creation of nine new states in 1991, and on-going annual investments of some $1,000 million in the energy sector, the construction sector is partly dormant. The decline in activity occurred in the second half of the 1990s and has continued to date (Van Buren 2004: 834). There is perhaps no other sector that better testifies to bad governance and visionless political leadership than the power (energy) sector. It beats the imagination that, several declarations of intent and billions of dollars notwithstanding, this sector has proved to be the Achilles heel of successive military and civilian governments. Yet this is one area where massive and quality investments are a sine qua non in order to markedly ameliorate the huge infrastructural needs of Nigerians (Famakinwa & Aderinokun 2006).

Ironically, market reforms, from the Babangida government through Abacha to Obasanjo, have inexorably focused almost exclusively on the public sector. The instrument of privatisation and liberalisation has been used fairly extensively, but almost to no avail in this sector (as well as in the domestic fuel industry), where the stranglehold of the state/political elite has been most visible. The government has also not shown enough seriousness in attempts to increase installed electricity-generating capacity and rehabilitate ageing thermal stations and build new ones. The impact of the failure of the energy/power sector on the country's economy, its investment profile, and the daily lives of the people is huge. Manufacturers continue to lose many person hours annually, and there seems to be no end in sight. By not investing enough in this sector and, by so doing, failing to create a conducive and enabling investment environment for both domestic and foreign capital, it is perhaps fair to argue that the Nigerian state constitutes the most formidable obstacle to the process of development in the country.

The utility of privatisation to the construction of a prosperous society becomes extremely problematic within this context. The success of a market economy is, in a fundamental sense, a function of a functional and effective state. This suggests an effective partnership between the private and the public sectors. The aim would be to ensure that the state or public sector is not just a conduit pipe for private capital at the expense of the common good. The Obasanjo government embarked on another round of orthodox market reforms without the benefit of a public hearing or an audit of similar reforms by its predecessors. The government thereby missed the opportunity to set out the parameters of partnership between the two sectors. There continues to be a blind faith in private capital to serve as the engine of post-military economic growth and development. But a weakened state can hardly have a genuine partnership with a relatively strong private sector. According to Peggy Antrobus (in Madunagu 2005), the

> private sector partnerships between a weakened public sector and an emboldened private sector gives the private sector special advantages and opportunities for increasing their control of assets and services that are essential to social reproduction, such as water, health care, and education.

If market and other reforms have generally had a short life span in Nigeria before they get transformed into a public language of political correctness, it is because, as already alluded to, commitment to the public good and to the ethics and values of public service has, over the decades, lost its cutting edge. Interrogating why public sector reforms do not succeed in Nigeria, Pini Jason (2006), one of the country's most respected columnists, writes as follows:

> the problem with Nigeria is that its leaders hardly know why they are in office, except for power and the self and group aggrandissement that comes with it. *The political parties have no ideology. The leaders have no vision. That is why today [the country's] politics is pedestrian, remote from the people's needs and is preoccupied with elite settlement and grandstanding* (emphasis added).

The oil industry has also been ravaged by widespread sloppiness, weak and inept oversight mechanisms, and incompetence in a rather dialectical manner. For all the daily oil revenues, Nigerians have for decades been saddled with oil refineries that are perpetually in a state of disrepair, poor maintenance of existing infrastructure, and inadequate funding of capacity expansion. The refineries, the newest of which is over 25 years old, operate at only about 20 per cent of their installed capacity. With Obasanjo doubling as the de facto minister of petroleum resources of his government, except for a brief spell, the blame for the chaotic and shambolic state of the industry and its refineries should be placed at his personal doorstep. The world's seventh-largest oil producer has, for the past several years, not had enough petrol to satisfy huge domestic demand. The response has been the importation of oil since the Abacha years. This is clearly an inexcusable decision that has brought a great deal of distress to the country's masses. Yet in 1996 the Abacha junta had decided it would divest a major part of its average 57 per cent share of the big players in the industry – Chevron, Shell, Mobil, Texaco, Elf, Aquitaine, and Agip. Similarly, the Obasanjo government announced in January 2001 that all of the four refineries were simultaneously operational and that a Venezuelan oil firm had been contracted to maintain them (Van Buren 2004: 832–33).

The Obasanjo government sought to arrest the rot not only in the oil industry, but also in the political economy as a whole, through the creation of numerous institutions and structures of restraint. These institutions were expected to provide support for the government's market-friendly reforms. The latter were driven by an assorted team of former World Bank directors and consultants well tutored in the three pillars of the Washington Consensus (fiscal austerity, privatisation, and liberalisation). The team also appeared to have valued sound macroeconomic management above anything else. It equally believed in full debt repayment, whatever its negative impact on social spending, and was at home with investing scarce national resources abroad rather than domestically. This explains why the Obasanjo government paid off, at one fell swoop, $12.4 billion of debt to the Paris Club in 2006 in a buy-back deal. While this may appear to have been a smart move, it was totally unprecedented. Yet in 2005 the country's parliament, in a formal session devoted to a review of the 'external debt overhang and its debilitating impact on the economy', had queried 'why the debt stock almost doubled in 20 years from $19 billion in 1985 to $35 billion in 2005, even when records show that an estimated $37 billion has been paid to service the debt within the same period' (*The Punch* 2005).

The government's economic team was also of the opinion that it made economic sense to boost the country's foreign reserves rather than inject oil money into the economy to create jobs for hundreds of thousands of university and polytechnic graduates produced annually by the country's institutions of higher learning. The Obasanjo government clearly appeared determined to cultivate the support of the donor community in order to get generous funding for its market reforms and approval of its political agenda. This explains the studied attempt, often futile for lack of accompanying political reforms, to achieve sound macroeconomic and fiscal management. The government tended to set much store by the structures of good governance (or political correctness) it put in place. But it paid scant attention to the ecology of the structures and the reforms, let alone to the citizenry, who were the supposed beneficiaries of such reforms.

According to Julius Ihonvbere, by far Obasanjo's most visible special adviser, the structures of good governance were a legion. They included the following: a strong and focused executive or cabinet; a non-political and highly committed economic team; local government reforms; the monetisation of benefits of public servants and elected officials with a view to minimising waste; pension and tax reforms; privatisation and liberalisation; an anti-corruption campaign, the linchpin of which were several agencies (the Independent Corrupt Practices and Other Related Offences Commission; EFCC; NEITI; the Budget Monitoring and Price Intelligence Unit, also known as Due Process; etc); civil service reforms; restructuring of the debt management and budget offices in order to ensure that the government spent only what it earned and eliminated deficit financing of projects; a near-revolution in the telecommunications industry via the mobile phone (the flipside, often understated, is the consequent decline in the number of allocated land lines by the Nigerian Telecommunications, the national telecommunications agency); partial protection for local industries by the banning/restriction in January 2004 of some 41 items on the import list; and a procurement committee in the presidency to eliminate overinvoicing and the duplication of purchases (Ihonvbere 2004).

The foregoing seems very impressive and, not unexpectedly, the government and its spokespersons were very quick to claim success. The president himself claimed that, as far as indicators of economic growth were concerned, he had kept faith with his social contract with his compatriots. According to official statistics, the indicators included an average annual economic growth of 7,6 per cent between 2002 and 2005 (as against an average of 3 per cent between the mid-1980s and 2000); and the growth of the non-oil sector of the economy by 7,4 per cent in 2004 and 8 per cent in 2005 (*The Guardian* 2006 [b]). It was also claimed that within the first 18 months of its operation, the Due Process agency saved the country over 50 billion naira. In short, as far as the twice-elected Obasanjo government was concerned, it was gradually putting Nigeria on the path of sustainable development through 'a peaceful democratic revolution' that consisted of 'reinventing and repositioning' the country for 'growth, stability and democracy', to use Ihonvbere's (2004) terms.

To all appearances, however, the proclamation of economic success was not only premature; it was ill advised. Unofficial statistics point to a more sombre and sober picture whose major elements included declining productivity, rising domestic debt, an unsustainable external debt burden, poor fiscal policy, the poor state of social infrastructure, mediocre service delivery and a weak environment for private sector development. Furthermore, as in the past, the expansion of manufacturing was impaired by low effective demand for domestic goods, due largely to the influx of cheaper and better quality goods from Asia, the European Union, and the United States. Nor was there any appreciable improvement in fiscal discipline on the part of the federal government. Fiscal deficits between 1999 and 2003 averaged about 4,6 per cent of GDP, largely because the approval of federal budgets was always delayed due to tense relations between the executive and the legislature (see ARM Research 2004). The World Bank's assessment of the government's economic reform efforts in 2005 was very unflattering: Nigeria was not only rated as poor, but it was also characterised as a resource-dependent nation and, to that extent, not on a sustainable path. But the assessment pointed to a possible alternative paradigm of development when it declared that the country 'could have produced capital five times higher than it did in 2000, if only it had made a moderate effort to save' (Ndibe 2005).

Extremely worrisome has been the fact that, for all the political talk about (re) positioning Nigeria to become one of the world's top 20 economies by 2020 by, among other things, borrowing from the experiences of emerging economies such as those of Brazil, the Russian Federation, India, and China; stimulating economic growth through a deliberate agenda of production of entrepreneurial graduates; emphasising high-value programmes for rapidly developing the economy; increasing focus on research; and the development of centres of excellence (*Daily Independent Online* 2006), not much serious political action is taking place on the ground. While there has been an improvement in some macroeconomic indicators (which, by all accounts, is good music in the ears of the donor community and the IFIs), the resultant modest economic growth has not resulted in job creation. This replicates the post-1994 South African experience of jobless growth. The government's near-total dependence on externally crafted economic policies that are at odds with local realities and on foreign capital was proof of its contempt for the country's huge domestic human, social, and physical resources. Why, for instance, does a government that had turned the call for foreign investment into an art would prefer to invest its huge oil revenues 'in advanced countries without any prospect of positive returns when those resources can be productively ploughed into the domestic economy' (*The Guardian* 8.5.2006).

The logic of autonomous economic development or self-reliance should have informed the choice of domestic investment. The benefits are many: expansion in the aggregate productive capacity, employment generation, the diversification of the economy, an increase in the standard of living of the populace, etc. Not only does the enabling law of the oil industry stipulate this, the 1999 Constitution also enjoins it. By not investing (or improperly investing) huge oil earnings in, among other things, agriculture, the energy sector, social infrastructure, human resources development, etc, the Obasanjo government caused the country to miss out on benefitting from the multiplier effect of such investments. There is a huge dilemma here for the Nigerian state as it is presently constituted: it is caught between legislating in favour of social justice through social spending and limiting its role to that of being a transmission belt for the private sector. Invariably, a large chunk of the money finds its way into the domestic market through leakages from both official and non-official sources.

Fighting corruption

Notwithstanding all the multiple institutions of constraint and restraint in the 'new' political economy spawned by the Obasanjo presidency, graft and malfeasance has been a recurring feature of Nigeria. While corruption is far from being the specialty of any people or race – insofar as it is an affliction of humanity and a function of opportunity – there is no denying its structural nature in the Nigerian body politic. The magnitude and extent of corruption is what distinguishes one polity from another (Amuwo 1986). Corruption, whose humble beginnings have been dated to the colonial period (since it takes two to tango, Nigerian nationalists and officials were perhaps as implicated in corrupt activities, both in the public and private sectors, as were British officials), is a multidimensional phenomenon, including all non-democratic practices (Tignor 1993; Luckham 2003: 19). The phenomenon has, over the years, assumed such hydra-headed proportions that virtually all post-independence governments have made anti-corruption campaign a cornerstone of national development. This is not surprising, because, contrary to the argument of the functionalist and neofunctionalist school in the 1950s and 1960s (according to which the rents derived from corruption could serve development purposes), corruption is increasingly perceived as the antithesis of development. According to Mulinge and Munyae (2001: 111),

> corruption hinders the development of good governance, transparency and accountability. It impairs economic efficiency, stifles local initiative and enterprise and depletes the resources that are necessary for social and economic development to take root.

The continent loses billions of dollars annually to corruption, much of which is salted away in Western countries. This is in addition to billions of dollars transferred annually to creditor nations and clubs by African countries as debt repayment. In actual fact, much of this has, in the past two decades or so, serviced only the interest, even as the principal continues to sky-rocket.

There are several explanations for the growth and persistence of the phenomenon of corruption both on the continent and in Nigeria. Firstly, since foreign aid drives much of the economy (it accounts, on average for close to 50 per cent of public sector investment in the poorest African countries), it is generally seen as easy money. In the Nigerian context, however, by 1988 (that is, two years into the SAP of the Babangida regime) international aid had become a minor source of government revenue. Secondly, corruption is seen as the consequences of a greater control of the economy by the state vis-à-vis the private sector. However, it has yet to be demonstrated, contrary to some renditions of market orthodoxy, that the private sector is a paragon of excellence with regard to the question of transparency, accountability, and integrity. In saying this, I am not oblivious of the argument of Fukuyama (1995: 96) that, perhaps in relative terms, 'state-run companies are almost always less efficient than their private counterparts'. This is partly because 'managements are constantly tempted to base decisions on political rather than market criteria, and strategic state investment may be misdirected because of simple miscalculation'. Fukuyama adds, however, that 'in some cultures, state-run companies can be better managed than in others, and mechanisms exist to shield them from political pressures'.

If Nigeria's generals bought into anti-graft campaigns, it was not just for purposes of legitimacy engineering (as were political transition programmes), but also to touch raw nerves of moral rectitude. The latter continues to be present in many of the country's neotraditional communities. The importance of moral rectitude and ethical codes in the public sphere can hardly be overemphasised. It has been argued that while ethical codification and leadership may be adequate to sustain the ideals of public service in some countries, in others, particularly those on the 'negative side of the rectitude scale', there is the need to go beyond the political elite to teach and instill into all citizens 'the rudiments of public morality' (Balogun 2003: 127). But the onus is on political leaders to lead by example, suggesting that there is an important nexus between leadership and corruption. The Nigerian case is illustrative in this regard. While political leaders endlessly preach the virtue of nationalistic and patriotic sacrifice and belt-tightening to the shrinking middle and working classes 'until the (structurally adjusting) economy' improves, as the preferred cliché goes, they themselves indulge in conspicuous consumption with sundry clients and hangers-on. They also primitively accumulate oil monies and siphon them abroad. The legacy of corruption litters the Nigerian political landscape. It comes into sharp relief in social and developmental indices that are some of the lowest in the world.

The Obasanjo government professed its commitment to the establishment of a climate of 'preventive transparency'. Obasanjo personally claimed that his government's 'structural reforms', highlighted earlier, had not only 'right-sized government (according to the language of creditor nations and institutions), but had also increased transparency, ostensibly through the deregulation and privatisation of key sectors of the economy (*The Guardian* 2006 [b]). I argue, on the contrary, that there remains a yawning gap between the public intent of the reforms and government's political behaviour. There is a missing link in the structures of restraint put in place. Perceptive students of politics and governance see this as a democracy deficit; that is to say, the result of the opposing 'logics' of, on the one hand, democratic institutions and, on the other, the absence of democratic politics (Luckham 2003: 14). As Jackson and Rosberg (in Sorensen 1996: 45) have argued regarding Nigeria during the Second Republic, 'instead of controlling the government, democracy has been a method of stealing from the people'.

And vote stealers have often become entrenched in mind-boggling venal acts. Evidence abounds that the rigging of the 1999 elections in favour of the People's Democratic Party (PDP) and its candidate, Obasanjo was child's play compared to the electoral malfeasance in 2003 and 2007. These were wholly superintended not only by the PDP, the ruling party, but also by the incumbent president. Twice-elected governor (1999 and 2003) of Plateau state, Joshua Dariye, revealed in February 2006 that the sum of 1.16 billion naira, about which he was being investigated by the EFCC, was used to finance the general elections in 2003 in states where the ruling party was under intense pressure to win. These were Plateau state; all the states in the south-west (including Ogun, Obasanjo's home state, where he lost woefully in 1999) and in the north-east. Part of the money was also disbursed to assist some named politicians. Curiously, the corruption-busting agency never arrested these politicians, let alone charged them. Furthermore, no criminal charges were instituted against self-styled political godfathers and their protégés in the ruling party who had confessed to election rigging before the president. Obasanjo himself carried a heavy personal moral burden about how his party won elections in 2003 and in 2007, with a large number of votes that were, in several instances, disproportionate to the number of registered voters. A nation-wide phenomenon, this electoral perfidy made a mockery of the electoral process. The moral crisis Obasanjo faced was not lessened in any way by the public statement of one of the governors of his party that the president lacked the moral rectitude to talk about accountability, integrity, and transparency. The general perception in Nigeria is that, as far as public venality was concerned, Obasanjo was long on promises, but abysmally short on delivery.

Similarly, there is evidence that, under Obasanjo, the authorities of the Fourth Republic did not show enough commitment to prudent economic management and public participation in decision making. On the first score, the Fiscal Responsibility Bill was designed to serve as a nexus between the *non-justiciable* fundamental directives of state policy enshrined in the Constitution and good economic governance. The intent of the Bill, as an element of restraint on the government, can hardly be faulted. On political participation, the Freedom of Information Bill proposes to give citizens the right to inspect information accumulated and acted upon by administrators, thus bringing about the possible synergy between public participation and better governance. It is instructive that Obasanjo refused to sign the bills into law; yet they were two of the most important bills before the National Assembly, in which his ruling party had a commanding majority. The two bills were sent back to parliament, which has been playing politics with them. (By August 2008, the bills were still stuck in parliament. It appears that it will take a concerted political effort from the civil society and the political opposition to force the hands of parliament and, eventually, Yar'Adua, Obasanjo's successor, to enact these bills.)

The net effect of corruption on the polity has been the lack of trust in the relations between government and the governed. In the comparable South Korean case, Kim (2005: 199) has argued that 'political corruption has consistently dampened trust-worthy and effective governance … Political competition … is a critical factor that hinders the country's democratic development as well as trust in governance'. After several decades of unfulfilled promises by Nigeria's soldier rulers and elected governments, Nigerians have seemingly crossed the threshold of political scepticism into the dangerous world of political cynicism. Dudley (1975) has argued that to be sceptical is a healthy political development to the extent that it copiously demonstrates political virtue. To be sceptical is to be studiously interrogative and to not believe or accept political intents and creeds unless they have been acted upon as scrupulously as possible. But to be cynical is, perhaps, to cease to be a proper citizen. It is a political condition in which the governed no longer believe that any good thing can come from their leaders. Political cynicism is a state of complete loss of faith in political leadership, and prompts citizens to carry on with their lives as if the state and government do not exist. In this context, we can hardly talk intelligibly about the 'embeddedness' of the state in the society and its structures and institutions. But before we examine this phenomenon, it is important to briefly look at the nature and character of the public bureaucracy tasked with implementing the policies that could turn Nigeria into a democratic developmental state.

The public bureaucracy

Research findings on bureaucracies and governance have indicated, among other things, that effective state bureaucracies are a function of competitive salaries, internal promotion and career stability, and meritocratic recruitment. This suggests that organisational norms and structures significantly account for bureaucratic behaviour. Similarly, 'without the help of the state bureaucracy, it is difficult if not impossible to implement or maintain a policy environment that is conducive to economic growth' (Rauch & Evans 2000: 65, 68). For much of sub-Saharan Africa, the performance of the public service has generally been poor. Except for isolated pockets, many public service agencies are notorious for delivering shoddy services at high cost and with scant attention to citizens' requirements. There are several reasons for this phenomenon. The market-related one is that the result of the process of 'hollowing out' the state is the creation of a parallel technocracy. This is run by an assorted team of macroeconomists and other economists recruited by government from the World Bank and the IMF or recruited by the latter for the former. In the first scenario, the economists are mainly nationals; in the second, they are often 'non-political' macroeconomists and technocrats from these agencies of market fundamentalism. However they are recruited, their brief is the same: they oversee a robust implementation of market reforms. In the process, the normal government bureaucracy falls into relative neglect and disuse in the critical area of development policy articulation and implementation, with attendant loss of morale, resources, and relevance. The best and ablest either leave for the private sector or they stay put, doing their own thing – including playing politics with and alongside their political bosses – and collecting their salaries.

Balogun (2001: 7) states that another problem of the African bureaucracy is that of diversity, that is to say, 'the lack of consensus on the building blocks of a collective political culture as well as the essential ingredients of a goal-focused, cooperative and functional system of administration'. There is a first-order conflict between, on the one hand, a migrated Weberian-style legal-rational bureaucracy anchored on the values of uniformity, collective orientation, and affective neutrality, and, on the other, an equally rational 'African' way of running the public sphere, sanctioned by traditions and constituting a social–moral order, but alien to the inherited colonial bureaucratic artefact. There is also a second-order conflict between different neotraditional value systems that jostled for self-expression and self-determination at juridical independence.

In Nigeria, this tension comes to sharp focus on two fronts. The first is between the legal-rational thrusts of the civil service bureaucracy and traditional African mystic impulses. The second is the struggle among the cultures of major ethnic nationalities for national supremacy. Competing diversities thus are a major obstacle to the constitution of a 'civic culture' around which consensus can be built as a national ethos for purposes of development. In the absence of the latter, there is, following Diamond (in Balogun 2001), 'a culture of self-interest, fragmentation, exploitation, cynicism, dishonesty and distrust'; in short, 'a striking absence of enduring shared commitments to the formal community'. This is where Ekeh's (1998) seminal distinction between the logic of the civic primordial realm and the logic of the civic public realm comes into sharp focus. Ekeh's major contention, arguably, is the centrality of the colonial experience to what, today, appears as the unique nature of the continent's politics. As Heilman and Ndumbaro (2002: 2–3) summarise, 'African civil servants are under pressure to abide by an alternative code that stresses their social obligations to family, friends and clients'. Invariably, corruption has, willy-nilly, become a 'socially embedded' phenomenon.

Thus, whereas Nigeria's three regional blocs before independence (East, West, and North) formally exhibited the universal attributes of bureaucracy, these traits were often assailed by cultural conditions prevalent in each of the regions. The national or federal bureaucracy was, in consequence, often torn between the market-like stipulations of a neomodern bureaucracy and the logic of neotraditional values. The federal bureaucracy, the three (and, later, four after the creation of the Mid-West in 1963) regional bureaucracies and their contemporary offshoots, have always been far from approximating the ideal type of autonomous and professional public bureaucracy. The point, however, is that they need not have conformed to this ideal so long as they were efficient and effective in the eyes of the citizens. The controversial, if politically expedient, federal character principle that seeks to cater for issues related to identity, representativeness, and national integration; a sense of belonging; and organisational coherence has been interpreted in a way that would not limit its potential damage to the notion of a meritorious bureaucracy (Amuwo 1990; 1997/98). Meritocracy was re-emphasised through the Civil Service (Reorganisation) Decree 43 of 1988, which formally restricts the application of the federal character principle to entry-level, junior management positions. The decree also attempts to enforce merit as the yardstick for recruitment into higher-level vacancies, and defines merit as 'experience, performance on the job, length of service, good conduct, relevant qualifications, training, interview performance and relevant examination where appropriate'. But the clamour for representativeness sits uncomfortably with professionalism, meritocracy, rationality, and objectivity (Olowu et al 1997), suggesting that these principles and values are bounded by culture, time, and space.

While diversity is ever present, there have been attempts to organise and run the Nigerian public services coherently and professionally. In 1954 the policy of Nigerianisation of the civil services was debated and endorsed. While the process was driven at different paces in the three regions, the notion of a unified and coherent civil service with a common ethos of professionalism was accepted, together with a commitment to national development. In a fundamental sense, this coherence all but ended in 1997 when the Abacha regime decided to discard the policy of uniform salary scale for the constituent states in the federation. Furthermore, at independence, civil servants, then known as state servants, became known as career public servants, whose tenure was secured on the condition that the discharge of their responsibility would be based on the principles of political neutrality, political anonymity, and political impartiality. The First Republic, with all its imperfections, could well be regarded as the golden era of the application of these principles (Amuwo 1989 [a]). This is because as political animals, it is perhaps unrealistic to expect senior civil servants to implement government policies without any enlightened self-interest whatsoever. Nigeria's career public servants largely operated under the protective shield of their 'political masters' until the military struck on 15 January 1966.

The first military period could roughly be divided into two phases, namely 1966–74 and 1975–79. The first phase under General Yakubu Gowon, the country's civil war leader and hero, witnessed the ascendancy of 'super-permanent secretaries'. This was a group of seasoned and experienced senior civil servants/managers of the public service who were thrust into the limelight by a combination of factors: lack of governmental and political experience by the military; the logic of the civil war; and the exigencies of post-civil war reconstruction, rehabilitation, and reconciliation. By all accounts, these relatively young men (there was not a single woman among them) doubled as the political heads of their departments. The second phase was one of contraction under the Murtala Mohammed/Obasanjo regime (1975–79), involving massive purges at all levels of the public services. The advent of the Second Republic and growing pressures for a more representative and more balanced public services would inform the subsequent dialectics of contraction and growth. The latter was consequent upon, among other things, the desertion of the service during the war; the purges earlier referred to, replicated by the Buhari regime in 1984/85; and the policy of down- or right-sizing as a result of market reforms during the regimes of both Babangida and Obasanjo.

How has the Nigerian public bureaucracy/technocracy fared as an instrument and a catalyst of development? Following Olowu et al (1997), one could decipher its role by examining the major issues in the country's public administration system since independence. Firstly, there is the domination of the policy process during military rule by administrative institutions at the expense of institutions such as the legislature (suspended during military rule) and the judiciary (which is often crippled by military ouster clauses). Secondly, the public bureaucracy has been beset by, among other things, problems of accountability of public enterprises, conflicts between professionals and administrators, and the autonomy of the local government system. These problems have been exacerbated by the underdeveloped and inchoate Nigerian state. Regarded as one of the few instruments of national integration and economic growth, the rapid expansion of the public services has not always translated into improvement in the efficient and effective delivery of social services, goods, and values. There has been a steady decline in their capacity and ability to deliver since the First Republic, with the military factor in governance being the major cause (Amuwo 2001). Thirdly, market reforms between 1986 and 1992, and from 1999 to date, with their emphasis on downsizing the public sector and a belief in a 'lean' and 'strong' state, has tended to further erode the capacity of the state.

In bowing to the pressures of the World Bank and IMF to reduce the size of the Nigerian state, the Obasanjo government – and the Babangida regime before it – was apparently unaware of the fact that African public bureaucracies are not as large as is often depicted. They also appeared oblivious of the fact that a viable recipe for economic revival, growth and, development is not so much a 'lean' bureaucracy as a quality and professional bureaucracy (Goldsmith 1999). The growing lack of capacity by the civil services to drive and spur development has been due more to the nature, character, and logic of political competition in the country in which the civil services are perceived by politicians and political parties alike as a 'theatre for sharing the national cake among the major ethnic and sub-ethnic groups'. It is this logic that has been responsible for 'the unending demand for fragmentation of governmental structure, without consideration for the fact that existing structures are hardly sustainable' (Olowu et al 1997). Fourthly, regarded as part of the 'amoral' public realm – a realm that belongs to everybody in general and, therefore, to nobody in particular – the Nigerian public bureaucracy has generally been despoiled and plundered by its caretakers, who have also served as its chief undertakers. Some of the time, these people do so in their personal capacity; at other times, as representatives, genuine or self-appointed, of ethnic nationalities, religious groups, or regional/geographical zones. But rarely has primitive accumulation through the plunder of the public sector been done in the name, or at the behest, of popular social classes with discernible developmental ideologies.

Fifthly, a further inhibiting factor to the efficiency of the public services in the development matrix is the mutual contempt, antagonism, and distrust between senior civil servants and politicians. Yet there is ample evidence in the literature that, whatever else binds them together, both groups have tended to collaborate at the highest echelons in order to privatise the collective patrimony and pecuniary interests of the Nigerian people. It would appear that this phenomenon has worsened since the 1988 Civil Service Reforms formally politicised the highest echelons of the service. Making the tenure of director-generals/permanent secretaries and the heads of services coterminous and coextensive with the tenure of the appointing authority did this. The only exception would be when an incoming government was interested in retaining the services of such appointees (Amuwo 1989 [b]; 1990). Sixthly, corruption did not spare the rank and file of the public bureaucracy, even as the combination of economic crisis and the venality of the political elite (military and civilian) began to impact on the incentive systems in the services. The consequence has been a public bureaucracy that has increasingly become a shadow of what it was between 1960 and the mid-1970s. Morale has become low and venality rife.

Within this context, there is the likelihood that reform measures and policy programmes would largely be ambivalent, and that senior bureaucrats, as opportunities arise, would privatise public funds. Professionalism would become abbreviated, as real professionals leave for greener pastures, and investment in training would no longer be a priority. Finally, increasing politicisation of the public services has largely circumscribed the requirement of a meritorious and relatively autonomous bureaucracy and technocracy capable of defining, designing, shaping, and driving development. The conclusion is perhaps inescapable that the 'politicisation of the top civil service in an environment of high political instability and high turnover of officials has not only been wasteful of personnel, it has also led to a weakened role for the civil service in the development process' (Olowu et al 1997).

Why state embeddedness in society is difficult

State embeddedness in society, as mentioned earlier, suggests synergy and civic engagement between the government and the governed. It also speaks to some form of consensus on state ideology; on how the government of a country could derive its strength and legitimacy through eliciting the interest and support of the majority of the citizenry. Of great significance here are organisations and civics that understand best the issues at stake, and what would be the most useful method of mobilising the larger society to buy into development ideas, ideals, and goals. There is an inverse relationship between the lack of political participation and social equity and citizenship. And it is only citizens, properly so-called, who qualify to engage the state and effectively demand rights and entitlements. In the same vein, governments are legitimate only to the extent that they summon the wherewithal, the will, and the resources to restrict public space so as to exclude as many factors capable of undermining the basic legitimacy of government.

In post-colonial states and societies, the preponderance of the former colonial government and a multiplicity of international financial agencies involved in the development business are often at the expense of a strong and cultivated domestic relationship. Adams Oshiomole, the president of the Nigerian Labour Congress (NLC), arguably the most visible and most consistent voice against the many democracy deficits of the Fourth Republic during the Obasanjo government, in 2005 accused this government of pandering to the interests of the World Bank and IMF. Oshiomole, who would be elected as the governor of Edo State in May 2007, argued that 'whenever you see the World Bank and the International Monetary Fund praising national governments, you know that these governments have failed their citizens. This has been the experience all over the world' (*The Punch* 28.9.2005). Because in Nigeria the political elite comprise a 'faulted bourgeoisie' to the extent that not only their social position and economic preferences, but also their values and personalities were shaped by colonialism (Graf 1983: 190) and are reproduced through violence, clientelism, and political exclusion, the basis for embeddedness is further eroded. The type of patron–client relationships that militarism and civilian authoritarianism has imposed on state–society relations in Nigeria largely valorises a negative social capital, and, by virtue of being more of a one-way track, is 'inherently hierarchical, exploitative and corrupt' (Fatton 1987: 96). It also tends to stifle 'a sense of justice' insofar as it establishes 'the moral authority of obedience' (Fatton 1987: 102).

Within this context, political participation begins to assume the form of protests by restive youth, civil society organisations, and social movements. Because Nigeria failed to use the end of military rule and the inauguration of an elected government in 1999 to establish new rules of state–society dialogue and engagement, violence has tended to replace pacific demonstrations and underwrite the relationship. Thus, in July 2002 a group of unarmed Ijaw women occupied Chevron Texaco's Nigerian operations for ten days, but apparently in vain. Since then, hostage taking of expatriate oil workers by aggrieved youth, much to the embarrassment of the government, has become more rampant and more violent. Rather than use its soft, moral power to address the long-standing grievances of the oil-rich, but extremely poor, communities as governance issues, the Nigerian state, more interested in placating the oil companies and the nebulous 'international community', has tended to violently suppress their protests. Contrary to the analysis of successive Nigerian governments (including Yar'Adua's), the contemporary situation in the oil-rich Niger Delta is far from being informed by the blind violence of restive and unemployed youth. It is, rather, a strong statement about the imperative of resource control, social justice, and political inclusion in Nigeria's political economy. The state/political elite are perhaps oblivious of the fact that because the state is not caring enough and resorts to structural violence all too easily, citizens have come to believe that the only language the state understands is the language of force and violence.

Furthermore, embeddedness has proved problematic, because a large majority of Nigerians are excluded from political participation, including erstwhile visible members of the state/political elite who have either fallen from grace or simply left government. According to African traditional democracy, says Ake (in Lumumba-Kasongo 1998: 33), political participation is a 'commitment to the desirability and necessity of participation as a collective enterprise'. Political participation also seeks to exercise citizenship rights and extract tangible benefits through 'an active involvement in the process of deciding on common goals and how to realise them'. The state elite do not conceptualise democracy in this way. For them, the struggle for democracy is a struggle for state power and the control of state resources. In contrast to this, ordinary people and popular organisations/movements conceptualise the struggle for democracy as a struggle for concrete democratic rights, in particular 'the right to live well' (Lumumba-Kasongo 1998: 126). This explains why popular organisations defend popular democracy. The NLC has been consistent in this respect. While its narrow, particularistic mandate is to defend the 'bread and butter' interests of Nigerian workers, the NLC is acutely aware that it can only do this within a larger canvas of defending democracy; advocating gender rights, including the full participation of Nigerian women in trade unionism; and demanding sound political governance.

The NLC's defence of democracy also includes the struggle to enhance government's commitment to good governance (Alalade 2004). Between 1999 and 2007, the major point of contention between the NLC and the Obasanjo government was the growing incompetence of the state in the oil sector and the consequent constant increase in the prices of petroleum products, and the implications of this for the welfare of the citizenry (Obono 2006). The relations between the Academic Staff Union of Universities (ASUU), the umbrella organisation of university lecturers in the country, and the Nigerian state are similar (Amuwo 1999). In a fundamental sense, therefore, the NLC, the ASUU, and other critical civil society and professional bodies, such as the Nigerian Bar Association, the Manufacturers' Association of Nigeria, the Nigerian Union of Journalists, the National Association of Nigerian Students, Women in Nigeria, etc, constitute the true opposition to government in the absence of a viable (formal) political opposition. These organisations are also at the forefront of the political struggle for another politics that would fashion another Nigeria. There is little doubt that if the state reaches out to them and embraces them as genuine partners in development, the process of embeddedness would be facilitated.

The foregoing would have to involve, at the minimum, an ideology of self-reliant development around which key and critical sectors and organisations in the political economy could rally. If this process has not began in any serious manner, it is because, beyond the neoliberal market reforms of the World Bank and IMF, the state has yet to articulate an endogenous set of principles, ideas, and ideals of development capable of eliciting a broad-based consensus across class, ethnicity, regions, religions, etc (Amuwo 2005).

Can Nigeria develop democratically?

I have earlier argued, following Mkandawire (2001), that there is no country that cannot develop, whether democratically or by authoritarian means. All that is required is that countries aspiring to development fulfill some key necessary and sufficient conditions. These include the adoption of an indigenous/endogenous development paradigm, one that is simultaneously viable, sustainable, and people-friendly, and neither autarchic nor a mimicry of extant foreign crafted strategies; committed, visionary, and strong developmental political leadership that possesses the capacity to mobilise and energise the citizenry; the restitution of self-reliance as the credo for national rebirth; political will; self-confidence; social discipline on the part of leaders and followers alike capable of assisting countries to develop the capacity to ameliorate the negative impact of globalisation and recover the autonomy of decision making they have lost to the donor community in general and the BWIs in particular; paying more strategic attention to industry and agriculture; and restoring and reviving the social sector of the political economy by making the market economy function in tandem with the social system (UNDP 1999; Madunagu 2005).

What the Nigerian state and people do about meeting the set targets of the Millennium Development Goals is also significant. What should be emphasised is not so much meeting the deadline set by the 'international community' as realising the goals in question. The eight goals are the following: the eradication of extreme hunger and poverty; the achievement of universal primary education; the promotion of gender equality and the empowerment of women; the improvement of maternal health; the combating HIV/AIDS, malaria, and other diseases; ensuring environmental sustainability; developing a global partnership with developing countries; and developing and implementing strategies for decent and productive work for youth. To achieve these goals – all of which are not new, and many of which the country had adopted in one form or another since independence – the Nigerian state will have to do several things. Firstly, it should nationalise and indigenise these goals, with a view to owning them, according to the country's development priorities. Secondly, it should formulate a coherent and nationalistic response to the ideology of liberal capitalism that has informed the articulation of these goals. Since poverty has worsened with the implementation of orthodox market reforms in one guise or another since 1986, it would be necessary, at the minimum, to critically interrogate and formulate alternative policies. In the words of Samir Amin (in Madunagu 2005), conditions are

> ripe for the emergence of other social hegemonies that make possible a revival of development conceived as it should be: the indissoluble combination of social progress, democratic advancement, and the affirmation of national independence, within a negotiated multi-polar globalisation.

In doing the foregoing, it is imperative that Nigerian leaders and the people should work collectively at forging a development paradigm that is reflective of the local and rural realties of the country's multiethnic, multireligious, and multinational communities.

At the second level – that of democracy – Nigeria will develop democratically if it practises a brand of democracy capable of reinforcing the precept and practice of development as a 'progressive humanistic and emancipatory project' (Aina 2003: 81). As it is presently constituted (at worst, a wretched electoral democracy; at best, a neoliberal democracy where the people are excluded), the Nigerian state hardly has an endogenous 'philosophical foundation for policy formulation and implementation' (Lumumba-Kasongo 1998: 113). Similarly, the country has yet to exhibit the major requirements of democratic governance, in particular accountability, responsiveness, transparency, equality of opportunities, etc (Vengroff 1993: 561–62). The evidence is multivariegated and compelling. To begin with, there is little civic responsibility on the part of the state/political elite in power at any point in time. The state brazenly violates the law, abridges the rights of the people, stifles public debates, and restricts the public space as if it (the state) exists only for this flagrantly negative purpose. The state also coercively uses state machineries to intimidate, harass, and harangue perceived political opponents and 'enemies'. There is hardly any coherent, issue-based ideology of politics and development that articulates visions and roadmaps for the long term. This explains why politics is anything but developmental in intent and orientation. It also explains why electoral laws and the voting system are largely shrouded in mystery and secrecy for a majority of the citizens. Furthermore, there is little or no sustained effort at establishing and nurturing democratic institutions, structures, and processes that could, almost invariably, engender a democratic culture of governance.

In lieu of a conclusion

There is little doubt that neoliberal globalisation does not provide an enabling environment for the construction of democratic developmental states in Africa. To be sure, contemporary globalisation feeds into the Western policy of tokenism and cynicism vis-à-vis Africa, and, to a lesser extent, Latin America and parts of the Middle East and Asia. African governments should not, however, be allowed to seize on this situation and use it as an alibi (and an imperfect one at that) each time they fail to deliver public goods and services. In other words, Africans should not allow their governments to use globalisation as a convenient way of explaining away domestic policy failures. Rather, they should intensify political struggles to force governments to work towards development at three levels. These are the South–South, African Union (AU), and national levels. At the first level, there is much to recommend a strong coalition of the resource-rich, but dispossessed nations and peoples across the global South (in tandem with sites and elements of critical social action in the global North, in particular progressive civil society organisations and social movements). This coalition should work towards the deepening of counter-hegemonic globalisation. At the AU level, African governments and people should be called upon to articulate a post-New Partnership for Africa's Development, self-reliant development blueprint, along the lines of the 1980 Lagos Plan of Action. The latter should be revised in light of post-Cold War developments in the global system. Tied to this should be a more rapid movement towards the establishment of a Union Government for Africa, which should be charged with the decisive implementation of the new development blueprint. At the national level, each African government should be required to domesticate the continent's development, on top of its own national development priorities and agenda.

I have argued that if Nigeria is to develop democratically, it is imperative to reconceptualise development and democracy, not as 'an instrument of social control', but as a strategy of 'cultural identity, self-reliance, social justice and ecological balance' (Cheru 1993: 20, 159). Again, development has to be redefined not as a value-free social enterprise, nor, for that matter, as something that could be copied and transplanted *in toto* from one sociocultural space to another, but as a long-term project that is people friendly and politically inclusive. The people, in their extensive and intensive communality, rurality, and locality, have to be the subject of development. They also have to be active participants in the process, primarily through the agency of their own indigenous knowledge systems, capacities, and resources.

In view of the extant culture of the externalisation of development plans and the hostility of Nigeria's political elite to the Nigerian people, democratic development will necessarily involve the reconciliation of both sets of actors, including the wooing of domestic investors and the localising of investments and reforms. The process of bringing the people back into the development matrix should complement that of not only bringing the state back in, but, more importantly, recomposing, restructuring, and reforming the state, state institutions, and democratic institutions. The objective would be to use a reconfigured state as a solid base for the construction of the developmental state. To be sure, negatively valorised clientelism/neopatrimonialism and rent-seeking politics will still be present. The challenge is how to transform them into the invaluable social capital that endogenous development needs in abundance. The theory and practice of democratic social justice (Fatton 1987: 116) will gradually attenuate the negative effects of clientelism.

Furthermore, it is necessary to halt and reverse the years of disintegration in the political economy. The objective would be to earnestly begin the process of genuine economic recovery so that development as a core element of democratisation could gradually become a veritable public agenda. Nigeria will never become a developmental state without capital accumulation. As I have tried to show, the only capital that is viable and sustainable is domestic or national capital. While a nationalistic or patriotic use of foreign capital is not to be deplored (as democracy assuredly begins to be articulated more and more in social and economic terms), it is a social obligation for the state to foster 'a strategically placed domestic private capital' as an instrument for creating a nationalistic and patriotic national bourgeoisie (Mkandawire 2001).

Finally, since the construction of a democratic developmental state is too important to be left in the hands of the state/political elite alone, it does seem appropriate to suggest that Nigerians would do well to learn from history. The latter teaches that the spread of democracy and development is not, and cannot be, mainly – let alone solely – an elite affair. Democracy is, first and foremost, a product of social struggle, rising political violence, or war (Wilkin 2003: 667; Luckham 2003: 6). A combination of factors may, however, help the Nigerian state and society to incrementally recover both democracy and development and to own them. These factors include the following: citizens fighting for their rights as social citizens; the society as a whole, not just civil society, turning the democracy–development nexus into a more and more contested terrain with a view to making the state and political power more socially productive and relevant; and a reconfigured state progressively responding to globalised capital more nationalistically, and obeying more endogenous impulses than exogenous ones.

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