

ARE YOU SERIOUS ABOUT  
NEEDS,  
MR PRESIDENT?

*Open Letter to President Olusegun Obasanjo on the National Economic  
Empowerment and Development Strategy.*

13<sup>th</sup> April, 2004

President Olusegun Obasanjo,  
State House,  
Aso Rock,  
Abuja.

Sir,

ARE YOU SERIOUS ABOUT NEEDS,  
MR PRESIDENT?

Mr President, are you serious about NEEDS? Are you serious about putting in place a National Economic Empowerment and Development Strategy, which you will diligently pursue in the next three years to uplift our country's economy? Or, are you just trying to use this NEEDS to bamboozle Nigerians, and dupe the rest of the world?

2. Deception has been part of your military training. It has been part of your battlefield experiences. As a successful battlefield commander, you know how to signal that you are deploying your troops westwards, while you are actually deploying them eastwards, or you are just staying put. You know how to indicate that you are going to retreat, while you are actually going to attack. Is all this NEEDS just a part of such a manoeuvre? Is it just a smokescreen? Is it just a camouflage? Or, is it a serious attempt at putting in place, what you sincerely believe to be, a coherent and comprehensive way forward for the badly battered economy of our country?

**National Planning**

3. In your speech at the launching of NEEDS, at what was called the National Stakeholders Consultations, on Monday, 15<sup>th</sup> March 2004, at Abuja, you appealed against cynicism. I am not being cynical here. I cannot afford the luxury of cynicism. I am one of those who have been

looking forward to our governments to come forward with a national development plan for the whole country. Whether one agrees with the plan, or, strategy, or, whatever you want to label it, is not important. What is important is that, there is a deliberate, and thought – out, attempt, by the governments of Nigeria, to take the country somewhere. Secondly, it is important that, the governments commit themselves to, an officially and publicly defined, plan of action over a number of years. This plan provides a definite and tangible basis for supporting, or, opposing, the governments, or just seeking to correct them, and for making them accountable in a holistic and regular way, and not in an ad-hoc and eclectic way. Without such a national plan, the whole basis for relating to governments is reduced to patronage, personalities, and to ethnic, sub-ethnic, religious, and other sectarian affiliations.

4. Obviously, no one can, responsibly, govern a country, give leadership to a community, or, even serve as the head of a family, without having a plan for the future. This country has been ruled, for over twenty years, without a national development plan. That is, since 31<sup>st</sup> December 1983, when the military overthrew the civilian regime and threw the Fourth National Development Plan: 1981 –1985, out of the window. Successive regimes went through the exercises of formulating a ‘rolling plan’, a ‘vision plan’ and what you chose to call ‘Obasanjo’s economic directions’, on your second coming. But, none of this took the place of the previous four national development plans, or gave the three tiers of government, and the private sector, in the country, a common framework for even heading together in roughly the same direction.

5. So, when I heard that you are going to come out with a strategy for national economic development, for a medium-term of three years, which involves the state and local governments, I thought that at last we are getting somewhere. I really looked forward to its coming out, and did not care whether it actually came from you, or, only in – care of you, from the Paris Club, the IMF, the World Bank, the WTO, Mr Soros, or even from George.W.Bush.

### **Endorsements and Consultations**

6. But, when I obtained and studied the document formally setting out of this proposed strategy for national economic empowerment and development, which you launched in Abuja, on the 15<sup>th</sup> of March, 2004, and which officials of the Presidency and the National Planning Commission have been sending out asking for comments and suggestions, I was really surprised, by its contents and presentation. I was baffled by the claims about its ‘ownership’ and endorsements on page 5, that:

*“Although NEEDS is essentially a federal government programme, it is fully owned by Nigerians. The President and his cabinet fully endorse the programme; the National Assembly and the National Economic Council (NEC), which comprises all the 36 governors of the states, have also endorsed the programme. Various*

*private sector stakeholders, NGOs and Civil Society organisations have also endorsed the NEEDS.”*

That is why I am writing this letter to you. For, if, as Nigerians we already fully own this programme, and it has already received the endorsement from all the organs of government with the constitutional authority to formulate and implement it, and from the private sector and civil society organisations, why all this running around by your officials to arrange consultations over it, all over the country, and in such great hurry? That is why I want to find out if you really, and seriously, intend to use this NEEDS to uplift the economy of this country, or if you are just using it as an exercise in deception, as a manoeuvre and as a camouflage. These, naturally come to you from your training and experience as a seasoned military officer. I am asking this question for these and some other very simple reasons.

7. And the other reasons are, that you have held high public office in this country for thirty-seven years, in military and civilian capacities. You have served as the Head of State, and Commander –in – Chief of the Armed Forces of our country, twice, for nine of these thirty-seven years. You have attended, in your governmental and non-governmental capacities, more, national, African, and international, policy – making meetings, than all the other ten Nigerian Heads of State put together. You should know all there is to know about public policy formulation, including the standards of contents, articulation, and presentation, expected of policy documents, even at the drafting stage.

### **Below Minimum Standards**

8. You must have, before endorsing it, read, the 172 page document, titled, **Nigeria: National Economic Empowerment and Development Strategy**, which you launched at the Ladi Kwali Hall of the Sheraton Hotel, Abuja, in the morning of Monday, 15th March, 2004. Why did you endorse it? Why did you get the Federal Executive Council, the National Economic Council and the National Assembly to endorse it? And after all these endorsements, why did you launch it and ordered the organisation of nation-wide stakeholders consultations on it, when it must have been obvious to you, given your education, training and experience, that, as a draft of a policy document it is below the minimum standards required, for a proposal of a strategy for national economic empowerment and development to be pursued by the three tiers of government of the Federal Republic of Nigeria.

9. You cannot fail to have noticed that this draft document fails to propose any strategy for national economic empowerment and development. It contains no strategy, no coherent plan of action which to endorse, launch and hold nation-wide consultations upon. It is a bundle of confusion in its conceptualisations, use of data and organisation. Its language is turgid, it is written in a verbose style and filled with platitudes, cliches and repetitions. You must have seen all this. So, why did you not, after reading it, before endorsing it, send it back and ask for a serious and competent draft by the numerous economic and policy-

making experts in your Economic Team and in the various ministries of your government?

10. In the first place, this document is incoherent, inconsistent, and often downright incorrect, in its use of key concepts, including its central concept of **'strategy'** and the **core** concepts of, **'policy', 'programme', 'instrument', 'goals', 'targets' and 'principles.'** This has resulted in pervasive confusion, all over the document, between, for example, the objectives to be attained, the general and specific measures to be taken to attain them, and the devices and organs to be used to implement these measures. When a government cannot distinguish between its objectives, the measures to take to attain these objectives, and the devices to use to implement these measures, then obviously its actions will be confused and convoluted.

11. Secondly, the appraisal of the economic and social conditions and trends in Nigeria, and affecting Nigeria, at the starting point of the implementation of the strategy, is not realistic, it is incomplete, in parts evasive; and is so muddled up. It is not even clear whether take-off point of this strategy is 1999, or whether it is 2004. Thirdly, the objectives, goals and targets of the strategy, are arrived at in an arbitrary fashion, without logically and systematically, deriving them from the projected changes in existing economic trends, as a result of the pursuit of the strategy, and the distinctive way this strategy should harness resources and enhance capacities.

12. Fourthly, the types of linkages between the various sectors of the economy, which are specific to it, at its present level of development, which are crucial in determining whether the economy retards, stagnates, or grows, are virtually ignored, and each sector is treated as if it stands on its own, facing, what is called, global competition. The feedback cycles and the inter-sectoral dynamics of the economy, crucial for take-off and sustained growth are not even recognised. Fifthly, the specific means by which the three tiers of government should work together for the achievement of agreed and defined targets in each sector and sub-sector of the economy are not specified, only asserted in the most generalised way, in spite of the great prominence given to the false claim that, this NEEDS is the first attempt to coordinate the economic policies of the three tiers of government in this country.

### **Flawed Conceptualisation**

13. Let us take these five major flaws in this draft document one – by – one, starting with the incorrect, incoherent and inconsistent use of key concepts, including the central concept of “strategy”. Since this document is supposed to be a proposal for **a national economic empowerment and development strategy**, it has to, first and foremost, be based on a correct, coherent, and consistent conception of what is meant by “strategy”. It also has to be based on correct, coherent and consistent conceptions of other key concepts, which operationalise strategy, such as, policy, programme, and instrument. But, this is not the case. On the pages, where “strategy” features, or “strategies” are listed, strategy is incorrectly conceived as meaning, a particular line of action, or

particular policies and programmes, which, even a first year undergraduate knows, it is not. To confound matters further, policies, programmes, and instruments, are used as if they mean the same thing and most often are all reduced to woolly and amorphous statements of intentions. The extent of vagueness and generalisation is made worse by the way the documents avoids proposing specific and definite objectives for each sector, sub-sector, and each sphere of government activity, and instead hides behind the wishy-washy terms of “policy thrusts” and “policy directions” and “programme thrusts”. We even find on page 35 the meaningless term, “policy strategies.” What on earth can this mean? What on earth does it mean, for example, to list, on page 35, as “policy strategies/instruments”, the reforms of, the budget process, the reforms of taxation, and the reforms of the procurement process? Are these policies? Are these strategies? Are they instruments? Or, are they all these three lumped together?

14. Let us be very clear as to what the terms, which are so much confused in this document mean. A strategy, for example, is not the same thing as a policy. A strategy is a plan for the pursuit of a coordinated range of policies, specifically directed at the attainment of clearly defined objectives, over the whole of a specific sphere of action, within a particular period of time. It is different and distinct from policies, programmes, objectives, goals, and targets, or the instruments for attaining these. A policy is a planned course of action for the attainment of definite objectives in a specific sphere of action. A programme, on the other hand, is a series of specific measures planned for the implementation of the whole, or part of a policy, within a particular time frame. While an instrument, in this context, is a device, an organ, and a means, for the implementation of policy. These constitute components of strategy. Strategy is broader and operates at higher levels of planning and action, determining and subjecting all policies, all programmes, and all instruments to the attainment of its objectives.

### **Contradictory Positions**

15. There is nowhere, in the whole of this document, where a national economic empowerment and development strategy for Nigeria is set out. But, this document, bearing that title, and purporting to set out this strategy, has already been endorsed at the highest level of government and launched by, you, the President! What is going on, Mr. President? What did you endorse? What did you launch? What exactly are you asking stakeholders in Nigeria to hold consultations on? Even for the various sectors of the economy, are you aware that there is, in this document you endorsed and launched, a great deal of confusion as to whether, or, not, sectoral strategies have been formulated, or have not been formulated. On pages 69, 73, 77-78, 79-80, 86-88, 101-103, and 103-104, of the document, what are called “strategies” for the seven core sectors of transport, water, agriculture, manufacturing, oil and gas, education and health, are, set out.

16. Yet, in the introduction to Chapter Eight, the chapter titled, “*Specific Sectoral Strategies*”, it is stated in the first paragraph, on the first

page of the chapter, that is page 75, that, sectoral strategies have not yet been formulated but are being developed. This is quite categorically stated, in the following words:

*“The Federal Government ministries, their state counterparts and the private sector stakeholders are in the process of developing sector-wide strategies for each of the sectors. These sector strategies will emphasise national coordination-- with clearly delineated roles and responsibilities for each of the tiers of government, the private sector and other stakeholders. These sector strategies, together with the sector projects, will form a necessary annex to the NEEDS document”.*

This is, however, flatly contradicted just below, on the same page, in the fourth paragraph, where it is stated that:

*“ It is in this context that the various sector strategies are couched, first by identifying some of the peculiar sector specific issues, policy imperatives and then the selected strategies.”*

Which is which? Are the sector strategies yet to be developed? Or have they already been developed? If they have **not** been developed, then what are these items listed as “strategies” for seven of the core sectors of the economy, on pages 69, 73, 77-78, 79-80, 86-88,101-103, and 103-104?

## **Transport**

17. The confusion, and the state of mental disarray, exhibited in this document, which you endorsed and launched, come out more clearly, when we examine these so-called “strategies” for these seven sectors of the economy. For the transport sector we have, on page 68-69:

### *“Strategies”*

- *Review existing legislation and institutional framework and provide incentives for private sector participation in inland waterways and other sectors*
- *Create a window for funding the aviation industry to ensure modernization and safety standards through the Bank of Industry*
- *Transform the Nigerian Railways through rehabilitation and modernization*
- *Commercialize the non-real assets of the railways as a source of raising funds to finance a viable and efficient railway transportation network with private participation*
- *Provide Road Maintenance Agency sufficient capacity to undertake rehabilitation and maintenance of federal roads.”*

Here we have five “strategies” proposed for the transport sector, none of which is a strategy, a policy, or a programme. Mr. President, how can a military officer of your training, rank and experience, and a Head of State and President for nine years, of one of the most populous countries in the world, who is expected to know what strategy, is, in military and civil matters, endorse the adequate funding of the Road Maintenance Agency

as a strategy? Is this not what every Federal Government is obliged to do under the relevant laws of this country?

### **Electric Power**

18. Surprisingly, no “strategies” are set out for what is called “The Power Sector” (Electricity Supply), treated on pages 69 – 72. What explains this very significant omission? This sector has received the highest allocation of Federal Government capital expenditure since 1999, and still does. And in many states, rural electrification is also a significant item in the capital budget. So how can there be no “strategies” for its development, when it is basic to almost all other sectors? Is it because this high level of expenditure is being sunk into electricity supply without any policies and strategy?

### **Water Supply**

19. On page 72-73 the “strategies” for the water supply sector are set out as:

*“Strategies”*

*To achieve government’s policy objectives, the following strategies would be adopted:*

- *Develop and implement a system of quality assurance consistent with WHO standards especially the completion of hydro geological mapping of the country and the establishment of water quality laboratories;*
- *Intensify the rehabilitation and reactivation of the River Basin Development Authority and existing urban water development schemes;*
- *Encourage private sector participation in the development and supply of water;*
- *Expand and improve rural water supply across the country.”*

### **Agriculture**

20. On pages 76-78, the “strategies” for the agricultural sector are set out as follows:

*“Strategies”*

*To achieve these targets, the following strategies will be employed*

- 1 *Vigorous implementation of the Presidential Initiatives on Cassava, Rice, Vegetable oil, sugar, livestock, tree crops and cereals. Under this initiative, Nigeria hopes to generate as much as N3 billion annually from the export of agricultural products.*
- 2 *Taking advantage of the various concessionary arrangements within the WTO, EU-ACP, and the AGOA, NEPAD and the huge market in the West African Region sub region*
- 3 *Strengthening of agricultural research and revitalization of the agricultural training and streamlining the extension delivery*

- system including the involvement of non-governmental organizations (NGOs) and opinion leaders in extension delivery through capacity building and promotion of improved technologies that are appropriate to the needs of farmers
- 4 A review of the agricultural input supply and distribution system with a view to developing effective and sustainable private sector-led input supply and distribution system.
  - 5 Promotion of integrated rural development involving agricultural and non-agricultural activities and including the provision of physical infrastructure such as feeder roads, rural water supply, rural communications etc.
  - 6 Encouraging states to develop projects of model rural communities and farm settlement adequately provided with feeder roads, boreholes, vocational training, simple farm tools and equipment, alternative energy source and communication centres for a wholesome life to reduce rural-urban drift
  - 7 Adequate capitalization of the Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB) to provide soft agricultural credit and rural finance; the NACRDB has been restructured and its mandate expanded to include full financial intermediation
  - 8 Refurbishment of the eight functional silo complexes and phased completion of the remaining ones to improve and increase the capacity of the food reserve programme as a step to food security. These would be leased out to farmers either on individual or group basis
  - 9 Promotion of joint-venture private sector managed multi-commodity development and marketing companies to guarantee remunerative prices for farmers, stabilize consumer prices and provide alternative market for farm produce through buyer-of-last-resort mechanism
  - 10 Promotion of all season farming through rain-fed and irrigated farming with emphasis on fadama agriculture as well as implementation of the programme for the massive production of tree crop seedlings.”

## **Manufacturing**

21. On pages 78-80, the “strategies” for the manufacturing sector are set out as follows:

### *“Strategies”*

*In order to turnaround the dwindling fortunes of the manufacturing (including SMEs) sector, government’s focus in this sector would be guided by the following measures:*

- (i). *Removal of infrastructural constraints on SMEs and expedite action on establishment of the clusters and industrial parks. These critical ingredients to increasing the participation of the private sector will be targeted at “growth poles.”*
- (ii) *Provision of appropriate institutional support: undertaking studies aimed at attracting foreign investors, scanning,*

*overseas markets and monitoring developments that have implications for the sector. SMEDAN will be provided with appropriate infrastructure and executive capacity, and in collaboration with the relevant agencies at the State and Local Government levels, play the role of promoter, facilitator and coordinator of all SME policies of government.*

- (iii) Strengthen the Bank of Industry and other such special purpose finance institutions NEXIM, NARCDB, etc to perform their statutory roles (especially the provision of concessional loans, credit guarantee schemes) and enlarge scope to include large manufacturing companies*
- (iv) Strengthening the legal and institutional framework for the operation of micro-finance institutions including streamlining of the operational guidelines and tax incentives for SMEs. This will include explicit recognition of the informal sector and the resolution of the constraints to implementation of the SMIEIS and design of special incentives targeted at investors who would wholly specialize in exporting to foreign markets.*
- (v) Review and implement a codified tax and incentives structure reform (including providing for necessary trade-offs) that supports an export oriented manufacturing sector and encourages large businesses to foster growth of SMEs in their value and supply chain.*
- (iv) Provide targeted incentives (like tax deductibility) for science, technology, and research and development spending.*
- (v) Coordinate and Facilitate, in collaboration with the relevant agencies of the other tiers of government, the implementation of an effective competitive industrialization strategy*
- (vi) Promotion of joint ventures and provision of incentives to facilitate flow of FDI in partnership with existing SMEs*
- (vii) Implementation of a Government procurement policy that patronizes locally produced goods and services, especially of SMEs*
- (viii) Promote the production of quality goods and services in Nigeria to facilitate a competitive export oriented manufacturing sector”.*

## **Oil and Gas**

22. On pages 86-88, the “strategies” for the oil and gas sector are set out as:

### **“Strategies”**

*Design and facilitate, in collaboration with the private sector, the implementation of a national oil and gas policy as well as a national gas grid system*

- Explore the use of alternative funding schemes in the sector and in particular set up long term financing arrangements in support of local content.*
- Develop a Nigerian domiciled database on Nigerian oil and gas and Nigerian professionals*
- Streamline and codify existing incentives in the gas sector.*

- *Facilitate projects that have spin-offs in technology transfer and employment in the non-oil sector especially the petrochemical industry*
- *Complete deregulation of the down stream sector with the privatization of the refineries and product haulage facilities/distribution network (PPMC)*
- *Improve security (against vandalisation of facilities), and strengthen the DPR to perform its regulatory functions properly.*
- *Encourage transparency in the management of oil revenue through the implementation of the EITI protocol to which the country is signatory*
- *Promote the development of the petrochemical sector to facilitate private sector investment in the development of support industries that use its products as primary raw materials.*
- *Implement existing legal framework for small and artisan operators in the solid minerals sector.*
- *Complete the upgrading and empower the Geological Survey Agency to become the industry regulator and provide a comprehensive database of all known Nigerian solid minerals both the location and mineable reserves.*
- *Promote and ensure a systematic and orderly allocation of Bitumen/Tar sands Blocks in the Nigerian vast Bitumen Belt which stretches from Edo State to Lagos State*
- *Compilation of modern Cadastral Register of all available mining rights, licenses and leases of known minerals*
- *Codify a system of incentives to attract private sector investment into the solid minerals sector.*
- *Complete the geological mapping of the entire country and simplify the process of issuing licenses.*
- *Oil companies should compete in involving domestic value adding industry and their track record in this respect will determine their eligibility to bid for future oil and gas blocks.*
- *Where capacity exists specific jobs should be reserved for domestic value adding industry and thus strengthen the domestic base of the sector.*
- *Review the Land Use Act to facilitate entry into the Solid Minerals Sector.”*

## **Education**

23. On pages 101-102, the “strategies” for the education sector are set out as:

*“F. Specific Sectoral Strategies*

*(i) Education*

*Under NEEDS, education (especially basic education) is considered the key bridge to the future. Half of Nigeria’s population are children. Thus, education is a key instrument to empower the children to take charge of*

*their lives in the future. In this regard, the strategy will aim at the empowerment of the citizenry to acquire skills and knowledge that would prepare them for the world of work. In order to achieve this, it will address the following crucial issues:*

- Faithful implementation of the free, compulsory Universal Basic Education law to among others*
- Improve education infrastructure*
- Expand institutional capacity to produce quality manpower*
- Expand total school enrolment to increase the literacy level*
- Review of school curricula from primary to tertiary to incorporate vocational and entrepreneurial skills*
- Re-tooling and repositioning of technical schools to be able to address the technical manpower needs of the economy*
- Establishment of more vocational centres to encourage Nigerians to embrace vocational education*
- Review of school curricula at all levels to incorporate the study of Information and Communication Technology (ICT)*
- In view of Nigeria's position in, and vision of, ECOWAS sub region, review school curricula to make study of French compulsory from primary through secondary schools*
- Expand existing Special Education Programmes including the Virtual Library Project, the distance Learning Programme and the Nomadic Education Programme.*
- Sustain existing vocational/on-the-job training programmes of the Federal Government and encourage the States to do the same*
- The National Youth Service Corps will be reviewed with a view to using a good part of the service year to develop entrepreneurial and basic business skills in the corps members. The orientation period will be extended to include a one-month period for formal training on entrepreneurship. Following the training, corps members will be posted mainly to industrial (including small scale enterprises) and agricultural concerns so that the exposure will encourage them to consider the possibilities of post service self-employment.*

#### *University and Tertiary Institutions:*

*Under NEEDS, government recognizes the critical importance of Universities and tertiary institutions for high quality manpower development, especially in the context of increasingly technologically driven world economy. Government also recognizes the challenges facing these institutions which range from inadequate funding and facilities, some curricula that are ill-structured to meet the challenges*

*of national need, inadequate and inappropriate staffing (especially at the lecturership cadres), cultism and lower moral and academic standards among students. Currently, higher institutions in Nigeria depend almost exclusively on subventions from government. The bulk of the Federal Government spending on education goes to the tertiary institutions, while state governments spend at least 20 percent of their budget on education-- mostly primary and secondary education. Almost total dependence on the Government for funding higher education is neither practical nor sustainable. There is therefore a need for fundamental reforms of the higher education system in Nigeria. The strategy for reforms include:*

- Strict adherence to the provisions of the University Autonomy Act.*
- Diversification of funding, including the attraction of private sector funding and consideration of more appropriate pricing of facilities and services (including hostel accommodation).*
- Update and restructure the curricula to meet the demands of the national economy, and mainstream science and technology especially ICT.*
- Ensure effective monitoring of the public and private universities to ensure strict adherence to standards.*
- Develop innovative approaches to ensure continuing re-tooling and capacity-building of lecturers in order to operate at the cutting edge of their disciplines.*
- Increasingly move towards decentralized and competitive wage bargaining system among the tertiary institutions, thereby promoting performance-based reward system.*
- Mass mobilization and value re-orientation among students to emphasize hardwork, discipline, and selfless service.*

## **Health**

24. On pages 103-104, the “strategies” for the health sector are set out, as follows:

- Overall, the health sector development strategy will continue to emphasize the strengthening of preventive and curative primary health care services. The goal of the health sector’s component of the NEEDS is to improve the health status of Nigerians as a sign*
- Major Strategies/ Interventions*
- Redefinition of the roles and responsibilities of FMOH and other federal public health structures and institutions in the provision and financing of quality health services to Nigerians.*
- Reorganization and restructuring of FMOH and other public health structures within the context of the redefined roles and responsibilities*

- *Review of existing health policies and strategies as well as health legislations culminating in the publication of a new National Health Policy and the enactment of a National Health Act that defines the national health system and the health functions of each of the three levels of government.*
- *Strengthening the capacity of FMOH in policy formulation and implementation.*
- *Improving the existing and/or setting up of new mechanisms to generate and use evidence and information for health policy/programme/plan development and implementation.*
- *Strengthening Local Governments' capacity in PHC management.*
- *Refurbishing of primary health care facilities and making them operational.*
- *Implementation of the Vamed Engineering Project for the refurbishing of teaching hospitals and the standardization of their equipment.*
- *Establishment of a National Hospital Services Commission to enhance better management of tertiary health institutions.*
- *Establishment of systems for efficient management of health resources, including finance, human resources and physical infrastructure.*
- *Construction and institutionalisation of National Health Account (NHA).*
- *Development and implementation of a comprehensive health care financing strategy, including the fast-tracking of the National Health Insurance Scheme (NHIS).*
- *Undertaking strong advocacy for increased budgetary allocation to health at all levels.*
- *Rehabilitation and refurbishment of the National Drug Production Laboratory.*
- *Full operationalization of the National Institute for Production of Vaccines and Biologicals.*
- *Establishment of the National Blood Transfusion System.*
- *Creation of the enabling environment for the local manufacturing of about 70% of Nigeria's needs for essential drugs/supplies and ARV drugs/reagents.*
- *Determination of the burden of disease in Nigeria.*
- *Development and implementation of a well-costed strategic plan for combating each of malaria, TB, Reproductive Health, etc.*
- *Development and implementation of an appropriate health sector's response to the HIV and AIDS pandemic.*
- *Creation and/or strengthening mechanisms for:*
  - (i) *Checking the transmission of polio virus by end of 2004;*
  - (ii) *the early detection, diagnosis and response to epidemics;*
  - (iii) *rapid and sustainable increase in routine immunization coverage.*

- *Strengthening existing programmes/initiatives for the elimination/eradication of specific diseases, e.g., Guinea worm.*
- *Provision of a minimum package of health services to all Nigerians as an integral part of the poverty reduction strategy.*
- *Development and implementation of a mechanism for measuring the performance of tertiary health institutions.*
- *Development and implementation of a strategy to improve health workers' attitude, morale and commitment.*
- *Establishment of a reliable system for the supply of quality drugs and medical materials to health facilities.*
- *Strengthening NAFDAC to perform its regulatory functions.*
- *Development and implementation of a strategy to increase consumers' knowledge and awareness of their personal obligations and rights to better health.*
- *Development and implementation of a strategy to enhance community participation in the provision and financing of health services.*
- *Using the results of the study on private health sector as evidence for formulating policy for the promotion of public-private partnership in health care provision and financing.*
- *Development and implementation of a framework for enhancing effective coordination of development partners.*

*In addition to the foregoing, other elements of the health sector reform program will include:*

- *Increase in antenatal, postnatal and family planning services and outlets to reduce maternal and infant mortality from the present 704/100,000 and 77/1000 respectively*
- *Intensification of the campaign for the eradication of harmful traditional practices such as female genital mutilation and child marriage. Already, several State governments have passed the necessary legislations, and many more are in the process of doing the same."*

## **National Disgrace**

25. What, Mr. President, are we to make of a document, purporting to set out a strategy for the way forward for Nigeria, which does not set out what this strategy should be? A document which in one page, states that the strategies for the various sectors of the economy have not yet been worked out, but are being developed with the State Governments and the private sector, and then goes ahead to list, in other pages what it calls “strategies” for most of the major sectors? And when we examine the items it sets out as “strategies”, we find that they are not strategies, but mere lists of intentions, and even some targets, most of which are yet to be formulated into coherent and definite government policies, from which concrete programmes can be derived for implementation. Yet these are listed as strategies in an official Nigerian Government document of this status, which you, yourself endorsed and launched!

26. As if this exhibition of shoddy thinking is not bad enough for the country, and disgraceful to its image all over the world, you have, on pages 28-29 of this document, passages, which indicate that, in this official Nigerian Government document, launched by the President of this country himself, to map out the way forward for the country, in the next three years, the level of thinking is so low, that, there is exhibited a failure to even understand, and correctly use, the elementary concept of “principles”. On page 28, after quoting parts of chapter two of the Constitution, which provides for the Fundamental Objectives and Directive Principles of State Policy, the document concludes, as follows:

*“In other words, the Constitution clearly stipulates that public policy must be directed to balance the objectives of efficiency, effectiveness, and equity in order to ensure a broad-based poverty-reducing growth and development strategy, the dividends of which will be distributed fairly among all classes. The NEEDS is based upon these principles. It is the strategy aimed at achieving the directive principles of state policy. Its focus is wealth creation, employment generation, poverty reduction, corruption elimination and general value re-orientation.*

*Three other principles that underpin the NEEDS are:*

- *An incentive structure that rewards and celebrates private enterprise, entrepreneurial spirit and excellence; and*
- *New forms of Partnership among all stakeholders in the economy to promote prosperity— among all arms of*

*government; Federal, state and Local; public-private; civil society and the International Community; and indeed all stakeholders.*

- *A public service that delivers prompt and quality service to the people”.*

Mr. President, how can principles be achieved? Principles are abided by, and followed, but cannot be achieved. What are achieved are, objectives, goals and targets, which are derived from principles, like those set out in chapter two of our Constitution. Listing the so-called three other principles of NEEDS, to round off, only further exhibits the basic ignorance in this document on the future of our country, about what principles are. An incentive structure, no matter what it rewards, cannot be a principle, it is a means for the achievement of certain objectives. New forms of stakeholder partnership, and a public service, which delivers services, are also not principles, but means for the achievement of certain objectives.

### **Misrepresenting Existing Conditions**

27. In addition to the confusion in this document over key concepts of policy-making and policy-implementation, the appraisal of the economic and social conditions and trends in Nigeria, and affecting Nigeria, at the starting point of the implementation of the strategy, is not realistic, and is evasive. It is not even clear whether the take-off point of this strategy is 1999, or 2004. How, for example, can a serious proposal for the way forward for the Nigerian economy, give three different figures for its present level of manufacturing capacity utilisation? On page 5 of this document the level of manufacturing capacity utilisation is given as 60%. On page 13, it is given as 53%, and on page 26, it is given as 50%! Which one of these is correct?

28. But, even more seriously, no general appraisal of existing conditions in the country is given in the main body of the document. The only attempt at making an appraisal comes on page 5, which is the first page of the executive summary. We cannot find in the chapters what passages this is summarising. So, what we have, appears to be pre-emptive claims of achievements by your government in the last five years, given in a summary fashion apparently to brook no doubting and no argument. But Mr. President, most of these claims, set out on page 5, when they are closely examined, do not add up to actual indicators of any measure of progress towards national economic empowerment and development.

29. The doubling of the size of the police force, for example, is more an indicator of national economic retardation than of economic development. It is one of your government's reactions to the worsening insecurity and violent crimes, largely due to the intensification of economic and social dispossession, disempowerment, and alienation, of the majority of the people of this country, including the overwhelming majority of the youth and retired military, police and other paramilitary personnel. In any case, if, as you recently said, in public, this April, many

of the new police recruits are armed robbers, how can this doubling of the police be empowering anybody, or developing anybody but criminals?

30. As for the claims that electricity generation has doubled, it may, or, it may not have; no mention is made anywhere as to the source of this. But, over large parts of this country the distribution and supply of this electricity remains epileptic, not just to households, but to waterworks and other utilities, to industries, and to educational and health institutions. So, electricity generation, on its own, is neither here nor there.

31. The claim in this document, echoing what your public relations officials and media agents have been harping on, that there has been a “telecommunications revolution”, as a result of your policies since 1999, is comforting propaganda for you, but cannot be the basis of serious long-term policy-making for a nation with our bitter experience with telecommunications, which you are very familiar with. While the sevenfold increase in telephone lines in 1999-2003, has relieved the frustrations inflicted on Nigerians by the former regime of a single parastatal monopoly, embodied in NITEL, the cost of the lines and the exorbitant charges has placed it beyond the regular reach of tens of millions of Nigerian small-scale manufacturers, food-processors, traders, vendors, salesmen, livestock rearers, fishermen and artisans, who need this handy and mobile means of communications for their productive enterprises and not just for, socialising, gossiping and for show-off. Moreover, the country, is heading back to repeat what it went through before, with a telecommunication services, but, without even the rudiments of a telecommunications equipments industry. The sector, now coming into the grip of a cartel, will not only remain a virtual black hole for capital flight; crippling capital investment in the rest of the economy, but the telecommunications services will remain exorbitant. As the equipment ages, and very little invested, in a domestic telecommunication equipments industry and in the updating and modernisation of the operating systems, low quality services, and breakdowns of the networks will become endemic. The spare-parts importation syndrome will cripple the networks and facilitate capital flight. The euphoria about “telecommunications revolution” will turn into a nightmare, unless the government, in a planned and decisive way, ensures the development of sustainable, domestic, telecommunications, computer and other electronics industries.

32. As for the claims that in the last few years there have been rapid agricultural growth, in this country, this is not substantiated. The FAO’s purported estimate, which is cited here, that agricultural production almost doubled between 2002 and 2003, registering a growth of 7%, is highly questionable. The FAO has no means of finding this out on its own. Only the Federal Office of Statistics has the organisation to conduct the required agricultural survey and provide a usable estimate. That agency, so crucial for any economic development, has been crippled, by successive regimes, since the early 1980s. Up to today, it has been getting barely enough allocation to pay salaries, and cannot even afford stationeries. As for the groundnut pyramids re-appearing, it is not stated

where in the North, these are to be found, so that this can be checked. These claims over agriculture, and over rapidly declining unemployment, 3.5 million new jobs since 1999, and over income levels, are questionable. The FOS, which is explicitly cited as a source for far less contestable data on pages 6 and 96-97, is not cited to substantiate these far-reaching and questionable claims.

### **Federal Government Deficit**

33. Perhaps the most serious shortcoming of the appraisal of existing economic conditions of this country, in this document, is over the fiscal operations of the Federal, Government, particularly its evasions over your own conduct, as President, at this decisive level of the operations of our economy. In the executive summary, on pages 5-6 of this document, NEEDS is suppose to consolidate the achievements of the last four years (1999-2003) and:

*“...builds on the progress made during the transitional phase of the new democratic dispensation (1999-2003)...Already, most aspects of the agenda are being implemented, or the enabling legislation being awaited or arrangements already advanced to commence implementation.”*

But the decisive level in terms of the government’s role in the economy is the level of the fiscal operations of the three tiers of government. On page 34, this document recognises the centrality of these fiscal operations in determining the macro-economic framework in the country, and acknowledges how bad the fiscal performance of the federal, state and local governments has been over the last five years, 1999-2003, stating that:

*“In Nigeria, fiscal policy is the most important instrument of macroeconomic management. Therefore, reforms at this level are critical for overall macroeconomic consistency... Currently, all tiers of government spend far more than they earn and cumulatively, deficits over the past five years alone stand at over N1 trillion. This does not include arrears of pensions and gratuities and debt to local contractors. With a foreign debt of about \$31 billion as at 2001/02 fiscal year (for a \$45 billion economy), all tiers of government spend huge proportion of current revenue in debt servicing and interest payments.”*

This is very evasive, because, the virtual doubling of the federal budget deficit since you came to office, has been key to the disastrous fiscal performance of the governments of this country since 1999. To put it directly, what reform, carried out in the so-called transition phase of the new democratic dispensation caused the Federal Government to collect, in 2002, double the revenue it collected in 1998, and at the same time double its domestic public debt? The repayment of the principal and interest of foreign debt by the Federal Government in 1999-2003 was insignificant in the deficit it incurred. Therefore, Mr. President if you are committed to a reform agenda as you claim to be and have embodied this agenda in NEEDS, why do you endorse the pretence that this reform has been going on since 1999, when the official records reveal that far from

your improving the fiscal operations of the government, since 1999, you made them worse. That is another reason why I am asking you if you are serious about this NEEDS.

### **Arbitrary Targets**

34. It is also difficult to believe that you are serious about NEEDS when its objectives, goals and targets, are arrived at in an arbitrary fashion, without logically and systematically, deriving them from the projected changes in existing economic trends, as a result of the pursuit of the strategy, and the distinctive way this strategy should harness resources and enhance capacities. On page 14, for example, roads rehabilitation, maintenance and new roads are all lumped together. The targets for 2004, are 3,500kms; for 2005, 3,500kms; for 2006, 4,000 kms; and for 2007, 4,000 kms. What are these targets derived from? In 1999, the mission statement you gave to the Federal Ministry of Works was to rehabilitate 5,000 kms annually, leaving aside maintenance and new roads construction. There is now a whole federal agency for federal roads and a petrol tax to fund its work, why can you not give specific targets for each category of work, and set out to do more than what you said you wanted done in 1999. Lumping together, new roads construction, rehabilitation and maintenance calls into question the seriousness of these targets.

35. How do you arrive at the target of 3 billion dollars export of cassava and related products by 2007? What is this target derived from? Is it derived from the vigorous implementation of the Presidential Initiative on Cassava? Nigeria was producing about 33 million metric tonnes of cassava, annually, by the time you took office in 1999. Most of that was for domestic consumption. How much more do we need to produce to satisfy domestic consumption of it as a staple food, and for industrial use, and still have billions of dollars worth left to export? How does a Presidential Initiative rapidly expand crop production and open foreign markets. Or, are you, by 2007, going to use your initiative to get other Heads of States, and their security men and entourages, at these international conferences and retreats you frequent so often, to learn to love to eat huge quantities of *eba* and *amala* so that this target will be attained?

### **No Inter-Sectoral Linkages**

36. Another reason why it is difficult to take this NEEDS seriously, is that the linkages between the various sectors of the economy, which are specific to it, at its present level of development, and which are crucial in determining whether the economy retards, stagnates, or grows, are virtually ignored, and each sector is treated as if it stands on its own, facing global competition. Even when on page 75, at the beginning of the chapter on specific sectoral strategies, a passing nod was made in the direction of inter – sectoral linkages, this crucial issue was swallowed up by what the document calls “cross-cutting issues”, as this passage brings out:

*“Given the self-reinforcing and interdependent nature of the different sectors of the economy, it is obvious that for each priority sector, achieving the objective of creating a responsive, modern and globally competitive economy, will address the following cross-cutting issues which are restated for emphasis as they are considered critical to the effective growth and development of the private sector:*

- *Infrastructure inadequacy*
- *Finance/Funding gap*
- *Inappropriate and inadequate technology*
- *Unfair competition*
- *Inadequate institutional and legal framework, including bureaucratic and tedious procedures and practices.*
- *Policy inconsistency and lack of commitment and political will to implement accepted policies*
- *Inadequate human capital development*
- *Security, law and order as well as sanctity of contracts*
- *Sustained favourable environment for responsible private sector investment.”*

It is significant that none of the four agricultural sector targets of NEEDS, on page 77, have anything to do with providing raw materials for Nigerian manufacturing industries, including agro-allied and the food and beverages industries. This linkage with manufacturing also does not at all feature in the list of the “strategies” set out for this sector. Enhancing the technological capacity of the manufacturing sector, through credit, tax incentives and research and development, to specifically provide tools, equipment, ploughs, pumps and other modern implements for wet and dry-season agriculture, does not feature at all on pages 78-80, where the manufacturing sector is treated. Food processing and agro-allied industries, which provide the fastest and most sustainable means of expanding employment and skills, and reducing poverty, are not even referred to. Biotechnological research and its application in agriculture and manufacturing, built on tapping our rich biological resources do not feature, here, or under the education and health sectors. How can such a document be taken as a serious effort to propose a strategy for national economic empowerment and development, when the linkage between agriculture and industry, the backbones of the economy, and the pillars for its modernisation, are treated in such a shallow and shortsighted way?

### **No National Coordination**

37. Finally, the specific means by which the three tiers of government should work together for the achievement of agreed and defined targets, in each sector and sub-sector of the economy, are not specified, only asserted in the most generalised way. The false claim that this NEEDS is the first attempt to coordinate the economic policies of the three tiers of government in this country, has blocked out the recognition that inter-governmental coordination of national development plan formulation and monitoring, has been one of the biggest tasks of planning in this country, since the 1946 Ten Year Development Plan. As a result this heavy task of national coordination is treated in a haphazard manner

in this exercise. Although the 36 State Governments are said to have accepted this NEEDS, since August 2003, none has produced its State Economic Empowerment and Development Strategy (SEEDS), or appears to have featured it in their 2004 budget pronouncements. The local governments specific inputs do not even feature in this document. Even at the Federal Government level, it is not clear how the National Assembly, which vets the budget, and can refuse to pass whatever you send to them, as they are doing right now, is going to make its input. The interests its members have shown in programmes and projects specifically allocated to each constituency and each senatorial zone, do not appear to have been taken into account. This passage, from page 17, brings out, in the usual turgid language of the document, that this NEEDS cannot be taken as a serious effort to put in place a coordinated national economic strategy to take the country forward:

*“This is the Volume ONE of the preliminary draft-- as a working document-- for comments and suggestions only. It is expected that after the six-week nation-wide consultations and debates on the draft document, it will be substantially revised as comments and contributions are received from stakeholders and Government officials. The Volume will also be subjected to serious editorial work. Volume Two of the NEEDS document is the Implementation Guide. For each reform element, Volume Two details the matrices of objectives, specific targets, implementation timelines, responsible agencies, etc. This is to guide monitoring and evaluation. This Volume One specifies the broad strategic thrusts, targets and instruments. As it were, it charts the overall direction of change, the destination and how to get there...Furthermore, NEEDS provides a framework for a nationally coordinated programme of action (including the Federal, state and local governments). Most of what is articulated here refers to the planned actions by the Federal Government. However, given that the Federal Government only controls about half of the consolidated public sector spending, effective coordination among the tiers of government in the federation is the key for success. Federal programmes alone without the states and local governments would amount to attempting to clap with one hand. We need the other hand (states and local governments) to make the desired impacts on the economy.*

*This need for coordination was recognized very early on in the development of NEEDS. Through the statutory organs for inter-governmental coordination (National Economic Council, National Council for Development Planning, and the Joint Planning Board), the state governments have not only endorsed the thrusts of NEEDS but also committed to developing their respective state economic empowerment and development strategy (SEEDS). The states also agreed on a minimum set of priorities which each state government must reflect in its SEEDS namely, agriculture, small and medium enterprises (SMEs), infrastructure especially roads rehabilitation and maintenance, and public finance reforms and transparency. The National Planning Commission is collaborating with the donor*

*agencies to provide technical assistance to the States in the development of their SEEDS as a necessary complement to the NEEDS. The NPC is organizing training workshops for the states in the six geopolitical zones of the country (using the 'Guidance Manual' it prepared) on the preparation, monitoring and evaluation of state plans....Some of the major thrusts of NEEDS are already reflected in the 2004 budget proposals currently before the National Assembly. The key sectors to deliver the 'basic needs' (for poverty reduction) -- health, education, electricity, roads, water—have received the highest priority in resource allocation (about 60% of total capital budget).*

38. If this is not an admission that very little has been done to get the necessary inputs needed to put together a reasonable nationally coordinated economic strategy document, then what is? The impression, which you Mr. President and your officials give, that there is a strategy already formulated is further, exposed by this passage cited above. It confirms the need to ask you the question of what all this exercise, which you are hurrying over, is about. Are you serious about this NEEDS, Mr. President? Or, are you just trying to bamboozle us, using your training and experience in camouflage and deception?

### **Private Sector Delusions**

39. But, even if you are serious about NEEDS, as you claim to be, the fact of the matter is that, in spite of all you say about a home-grown strategy, you and your officials, have swallowed, hook-line-and-sinker, the IMF/World Bank dogma, that, only a private sector led economy can grow and develop in the world today. The repetitive assertion about the leading role of the private sector in this document reads like a ritual chant, to invoke the favour of some idols or of God. There is nothing thoughtful, rational and scientific about it. It has certainly nothing to do with the realities of the Nigerian economy and the capacities and aspirations of the Nigerian people.

40. In any case, “*a private sector led development strategy*”, is a contradiction in terms, and does not make any logical and operational sense. This is because, the free market, which governs this private sector, can have no strategy, as a market, if it remains a free market. As a market, it only has entrepreneurial freedom; the freedom of the entrepreneur obeying the market forces of demand and supply. It is only these free, private, corporate, and individual, entrepreneurs that can have a strategy. But, the private sector, as a whole, constituting the market, cannot have a strategy for development, or, for non-development, for a country, or, for any community, district, province or, any state. It can only have a strategy for making profits, and for the public relations and political actions necessary to protect, enhance and whitewash its profits.

41. Therefore, if one of the goals of NEEDS is to “empower the market”, then you can forget about any national development and empowerment strategy for the country. The Nigerian public services will be there to serve the various combinations of private entrepreneurs operating in the country, each with its own profit-making strategy, and

shall not serve the public, thus throwing democracy, public accountability, and even national sovereignty, out of the window.

42. The examples of Malaysia, Singapore and Ghana, illustrate so clearly how much delusion informs the document's notion of a private sector-led development strategy. Ghana is no economic success story under its free market development strategy enforced since the early 1980s. In fact, Ghana, and its *cedi*, often serves as a warning and a lesson for those who want to take their countries, and their currencies, along that path.

43. But Malaysia, under the government of Mathahir Muhammad, has achieved a significant measure of economic growth. Singapore, under the government of Lee Kuan Yu, and his successors, firmly kept along the direction chartered under him, has also done so. Patriotic Governments in these two countries, established and nurtured committed public services, which, formulated, and authoritatively implemented, their successful, capitalist, national development plans. These government – led, capitalist, development strategies, like those of Japan, South Korea, even, Germany and France, and the Scandinavian countries, took skilful advantage of the market and of domestic and foreign private entrepreneurs, giving these chances to compete and make profits and take some of this out, but without allowing them to call the shots and divert their countries away from the pursuit of long-term national objectives. In fact, Malaysia set a world record in the competent management of its external finances, during the Asian financial crisis in 1996-97, from the way it, patriotically, and astutely, handled its capital accounts, against all the pressures of the IMF, the World Bank and their American and European masters. The private sector in Malaysia, which has grown up rapidly, far from leading the country's national development strategy, has followed the government's national development plan and largely supported and cheered its stout insistence of standing up in front and shouldering the economic responsibility for the destiny of the country, and not running to hide behind the skirts of private entrepreneurs, foreign and domestic, as you are trying to do.

44. You, Mr. President has become so deluded by the panacea of private enterprise, that it is too late in the day for you to start learning the lessons of the real, as distinct from, the mythical, history of economic development in various parts of the world. But, for goodness sake, get your officials to produce policy documents, which do not make our country the laughing stock of the world.

45. Whatever you decide to do, or not to do, you will never escape the judgement of history, and this is not something, which can be packaged and paid for by your public relations officials. In spite of the praises you have been getting in the media about your stewardship in 1976-1979, some of the most distinguished scholars whose writings will carry weight over the centuries, have, interpreted the evidence about your regime's economic policies in that period differently. An example is one of the most eminent economists of his generation, the late Dr Pius Okigbo. In his 1983 paper, presented in Zaria, titled, **Economic Planning in**

**Nigeria Since 1960**, Pius Okigbo, debunked the praise- singing about your running of the economy and concluded that:

*“The last three years of the military administration, 1976-1979, were characterised by a charade of incoherent, inconsistent and ill-thought out policies, often superficially well-motivated, but often so wrong in ultimate objectives.”*

46. In the case of NEEDS, the incoherence and inconsistency is pervasive and obvious. Some of its intentions may be well motivated, but the objectives, the policies are confused and a strategy is completely lacking. If you are serious about NEEDS, then do something to get your officials to come out with meaningful and serious proposals, even if it means implementing it yourself, for only two years. But, if it is only a means of deception, and you are not serious about it, as a means of salvaging and developing our economy, then get ready to face the music, sooner, or later.

Yours truly,

**Yusufu Bala Usman.**