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Economic Reforms and Democratic Consolidation in Nigeria

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Abstract: Democratic transition without a viable economic foundation cannot be sustained. Nigeria's emerging democracy is faced with the challenges of meeting the welfare aspirations of the citizenry. Economic downturn, leadership insensitivity and indifference have constrained good governance and provision of dividends of democracy to the electorates. The nation suffers weak public and private sectors and poor macro-economic environment. Attempts at revamping the economy through liberalized policy reforms have become contradictory and paradoxical in the sense that they have enhanced the poverty and hardship level of the citizenry and the gradual elimination of the middle class. Consequently, mass discontentment against the regime is growing. The generality of the people are increasingly developing a sort of lack of psychological resistance against any attempts at a return to military governance. The problematique, therefore, is that can the emerging democracy survive in a situation of deepening material poverty and without economic empowerment of the people?

Key words: Common good, economic stability, dividends of democracy, good governance, sustainable human development

INTRODUCTION

Nigeria transited from military autocracy to democracy in May, 1999. The major challenges of the infant democracy concern the promotion of the people's welfare, alleviation of mass poverty and resuscitating the ailing economy. Over the years, the parlous state of the economy has ill-affected the macro-economic sector in terms of low Gross Domestic Product (GDP) falling Per Capita Income (PCI), mass unemployment, rising inflationary trends, falling industrial sector production capacity, performance failure of critical infrastructure, low investment, constant down-stream energy crisis and unabating industrial disputes. The poor macro-economic sector performance has, therefore, negatively imparted on economic stability, growth and development. Besides, the economy has to contend with endemic corruption. The parlous state of the country's economy has invariably engendered poor human development index. The nascent democracy is, therefore, confronted with how to develop capacity for good governance and ensuring adequate enjoyment of dividends of democracy by the electorates in terms of sustainable human development.

The study has four major concerns. One is evaluating the interface between democracy and viable economy. Two, is problematizing the nation's economic situation as a way of interrogating the welfare conditions of the people. Three, is examining the varied reforms being projected by the administration with a goal to forge economic development and improve the material conditions of the people. Four, is investigating through a field survey the welfare implications of the reforms on the citizenry and the aspirational interest of achieving a consolidated and durable democracy. Lastly, is five, which is to strategize on modalities for attaining a durable democracy in a growing economy. In actualizing these concerns, the rest of the study is structured unto six sections. Section one provides a conceptual background for the study by examining the linkage between, viable economy and sustainable democracy while section two investigates the current situation of the nation's economy. Section three analyses some of the issues of the regime's economic reforms intervention, while section four critically interrogates the effects of the reforms on the socio-economic conditions of the electorates. Section five suggests prospects for a viable democracy and good governance. Section six is the concluding remarks.

The democracy-economy interface: Democracy and politics in general have a shared end. Both are concerned with resources allocation and the common good. It is a widely held view in political science and political philosophy that the provision of the common good and the resolution of problems of collective action are at the heart of politics[1]. Similarly traditional neo-classical economics amplifies that the role of the state is confined to the provision of public goods and the correction of market failure (Ibid). Part of the constellation of common good in the usage here is the capacity of the state to make its citizens happy and make life worth living for them.

Democracy is endowed with the potentials and capacity to promote human development. As Kolawole[2] opines, democracy guarantees the citizenry's happiness and the rule of law. The governing political party has social welfare programmes contained in its manifesto on the basis of which it wins the mandate to rule. The welfare programmes are means to enhance human development and people's social well being. This is in contradistinction to military regimes, which rule without the popular mandate and therefore, without a committed and responsible agenda to pursue and enhance human development and happiness. Therefore, the dream of democratic politics is to herald freedom, welfare, prosperity and justice for the populace. In other words, democracy is antithetical to poverty, injustice and violation of human rights.

In spite of the attractions of democracy, Spanier[3] contents that democratic transformation is not the real issue in the new states but lack of the perquisites for the conduct of a democratic government embracing a relatively high standard of living, mass literacy, a sizeable middle class, a sense of social equality and a tradition of tolerance and individual self-reliance. Spanier further espoused that the real issue for the new states is not a democratic restraint of power and emphasis upon various freedoms but the harnessing of a sufficient power to hold the nation together, which requires hard work, austerity and self-control while seeking to legitimize the new national government's authority. Agi[4] while acknowledging the establishment of these prerequisites in Euro-America, which accounts for its sustained democratic culture and practice, Mazrui[5] in his political diagnosis of the African condition, observes that the emerging democracies in Africa are characterized by "the pathology of fragmented economy", implying a rich continent which contains many poverty stricken societies.

The fragility and vulnerability of democracy in the states in transition calls for economic training and discipline for the consolidation of democratic values and for the nascent democracy to be able to meet the demands of economic development and being empowered to adequately respond to the demands of the poor masses.

Economic liberalization becomes the ideal disciplinarian agent for new democracies. Liberal political economy canvases for the promotion of democracy and economic liberalization as two sides of the same coin. Portending the existence of symbiotic relationship between democracy and viable economy. A viable economy provides a climate for the eradication of poverty of material well-being. Perpetual struggle for material well-being and survival in any political system often breed political apathy and cynicism. In an impoverished political system, democratic practice, as[6] asserted, the masses are usually easily brainwashed and their rights of choice terribly manipulated.

More often than not, various forms of cheap inducements and gratification by political contenders are offered to the electorates including money, salt, rice and all kinds of fuel that provide very temporary relief from the scourge of poverty are given central attention in making their electoral choice. Hence, Obasanjo and Mabogunje believe that material poverty has greatly impeded the development and sustenance of democracy in Africa.

In the effort to abolish poverty, therefore, democracy must seek to promote an enabling environment for economic development and stability directed at meeting the social responsibilities of the state.

Economic reforms based on the International Monetary Fund (IMF) and World Bank's structural adjustment agenda consequently become imperatives for the emerging democracies as a condition for rapid economic growth and development and for eliciting assistance by these global financial bodies and other Western donors[7].

The structural adjustment arrangement must seek to promote market and trade liberalization and private initiatives as engines of economic growth and development. While democracy must promote these ideals, it must also provide for an enabling stable and secure environment to make such economic goals realizable.

The economic situation: At inauguration in May, 1999, the Obasanjo administration inherited a very week domestic economic structure and poor state of infrastructures. The economy is externally dependent as it is predominantly a primary export economy with a mono-cultural character unilaterally driven by the crude oil sector. The economy is therefore subject to adverse external influences, shocks and vagaries of prices in the world market with consequences of incomes instability and shortage of foreign reserves. The regime also inherited collapsed industrial-support infrastructure. The poor state of critical industrial infrastructure is hampering economic growth and development. Chief among the poorly performing infrastructure is the power and energy sector. Electricity supply by the nation's power monopoly agency, National Electrical Power Authority (NEPA) is erratic and unstable. The administration promised in 1999 to increase power output from 1900 mega watts to 4500 megawatts for which government injected $3.5 billion in the sector (Ero, *et. al.* and[8]). Despite the huge expenditure on the turn-around of the system, NEPA maintains abysmal supply performance. Domestic oil energy supply by the Nigerian National Petroleum Corporation (NNPC) was inefficient. The refineries have collapsed due to lack of maintenance arising from neglect and corruption. Government has expended within a spate of five years (2000-2005) a sum of $400 billion for turn-around maintenance without improvements (ibid, 17).

The transport sector of the economy is as worse. All categories of roads across the countryare bad. About 85 people die daily on Nigerian roads, while as much as five percent (5%) of the GDP or #185 billion (about $1.5billion) is lost yearly to bad roads (ibid, 16). The railway system is also in comatose. The combination of the inefficiencies in the transport, power and energy sectors have posed major constraints on the industrial production capacity of the private sector. The poor performances of the sectors have weakened the capacity utilization of industries. In attempts to remain in production, many industries sought alternative sources of power generation while constant increase in the prices of petroleum products correspondingly contribute significantly to increased over-head costs. High production costs arising from non-performing infrastructure in the main has resulted in low productivity by the manufacturing sector. According to the Central Bank of Nigeria (CBN[9]), capacity utilization rate of the sector is between 30 and 40% indicating gross under utilization of resources. Industries that could not afford the high costs of production are forced out of business. Consequently, this results in low and declining contribution to national output. For instance, between 1997-1999, the sector's low average output, which stood at 6% further fell to 4% between 2000 and 2002[10].

Constant rising inflation figures is another limitation on economic development. Inflation figures rose from the single digit of 7.6% in 1999 and 5.4% in 2000 to double digit of 18.4% in 2001[11]. The figure rose to 19.1% in June, 2004 (The Comet,[12]). The cost-push factors motivating the rising inflationary trends include; One, constant increases in the pump price and, or scarcity, of the downstream oil sector. Two, is the rising over-head cost of production consequent upon the poor performance of infrastructural amenities including electricity and transportation system. Inflation continues to undermine economic growth and development as it discourages savings and investments. This is so because workers spend much of their wages on highly costly goods and services as inflation gingered hike in their prices. In this wise, the composite Consumer Price Index (CPI) rose from 120.0% in February, 2004 to 121.2% in May, 2004 *(ibid)*. Also, both the private and public sectors are being run at a deficit due to inflation-induced unbudgeted expenditures.

Heavy external debt profile is another constraining obstacle to economic viability of the nation. The nation's debt standard stood at $34 billion in 2004 (Ogbodo,[13]). The nation's external debt stock is constantly rising except in 1992 when it dived to $29.02 billion from $29.02 billion from $33.53 billion in 1991 (Obadan,[14]). Of interest in the nation's debt crisis are three major facts. One, is the burdensome aspect of the debt stock which is the weight of debt service. In 2004 alone, the nation paid as much as $2.84 billion to service debt (The Comet,[15]). On the average over the years, debt service ratio has been about 17%[14].

The economy has also consistently witnessed low foreign investments since the 1980s. Rise in foreign investment is a manifestation of a favourable macro-economic climate of a nation and vice versa. According to the International Finance Corporation (IFC), inflation and exchange rate volatility deter investors because of unpredictability attending distorted relative prices (World Bank,[16]). This, coupled with the poor performance behaviour of infrastructural services resulting in high over-head costs and endemic religious and ethnic violence, which has destabilizing and non-breaking even effects on private foreign investments, not only discourage potential investors but also instigate divestments by existing ones.

Fraud, corruption and financial crimes are other difficulties facing the economy. These vices are creating a lot of leakages in the economy. The United Nations Office on Drugs and Crime estimates that $100 billion had been lost to corruption in Nigeria (Amokeodo,[17]) and consequently, Transparency International in 2004 rates Nigeria as the third most corrupt country in the world. Apart from discouraging potential foreign investors for its shooting up the cost of business by as much as 20% (ibid;3), it also undermines the ability of the authority to provide infrastructural and social services. Many interested foreign investors had been tricked by advance fee fraud Nigerians to transfer millions of dollars to Nigeria for non-existing business ventures thereby giving the country a bad image abroad and consequently closing investment openings against Nigeria.

The economic reforms intervention: The Obasanjo administration acknowledged right from inception the poor health of the nation's economy and invariably the deteriorating socio-economic conditions of most Nigerians. It is the belief of the regime that an enabling environment is desired for the new democracy to thrive and fore regaining international respect and credibility and putting the economy on the path of sustainable growth and development[10].

The underlining philosophies of the regime's economic reforms policy are based on its National Economic Empowerment Strategy (NEEDS). Its overall direction and goals are directed at:

- Increasing the quality of public service delivery
- Efficient resource utilization
- Wealth creation
- Employment
- Poverty reduction
- Food on every table
- Provision of rural infrastructure including potable water, electricity, basic education, roads, telecommunication and housing
- Achieving a diversified economy and value orientation(Isibor,[18])

The ultimate aim of the reforms agenda is improving the well-being of Nigerians and achieving at least 50% reduction in the current level of poverty (ibid, 8).

In addition, NEEDS sets goals for macro-economic growth. It sets 8.6% growth for the real GDP in 2003 and it was expected to grow by 5%, 6% and 7%, respectively in 2004, 2005 and 2006/2007. Most of this growth will come from the non-oil sector, at the rate of 7.27% in 2004, 8.54% in 2005, 8% in 2006 and 9.5% in 2007 (Nwakanma and Tadaferua,[19]). The economic agenda also sets a steady 5% annual reduction in the incidence of poverty over the period of five years, 2003-2007. In achieving the goal of employment creation, NEEDS commits all stakeholders, particularly the federal government, to creating a minimum of one million new jobs in 2004 and additional two million yearly from 2005-2007 (ibid).

The new economic development paradigm as part of its targets, also aims at making safe drinking water available to at least 70% population and advancing adult literacy rate to at least 65% by 2007.

NEEDS also aims to fight corruption in the economy. Traditionally, the public sector economy is noted for high corruption inefficiency and indiscipline. Purging the public service of these regressive unprofessional and un-ethnical values becomes imperative because of the vital role it occupies as the main source of economic patronage in the country.

The re-orientation of economic values is not limited to the public sector. NEEDS also attempts to bring rationality and sanity to private sector financial transactions by insisting on accountability and clean business dealings. It emphasized that enrichment through illegal and illegitimate means world cease. The regime, in fighting corruption and financial crimes has set up the Independent Corrupt Practices Commission (ICPC), the Economic Financial Crimes Commission (EFCC) and Due Process in Contract Award Department in each ministry.

In addition to establishing ICPC and EFCC to check corruption and economic drainage in the economy, NEEDS also promotes rapid privatization of all existing official controlled corporations and parastatals. Critical corporations providing essential services such NEPA, Water Corporations and the Nigerian Telecommunications (NITEL). Another composite of the privatization and commercialization policy is the deregulation of the downstream oil sector which meant the withdrawal of oil subsidiary and establishing appropriate price regime for petroleum products. A by-product of this, is the incessant increase of prices of oil products based on market forces.

Finally is improvement in the real sector of the economy, the manufacturing/industrial sector. NEEDS targets accelerated industrial development to achieve increased growth in the manufacturing sector by at least 7% annually; increase capacity utilization to about 7% by 2007; and contribute 7% of total investment in industries by the private sector by 2007 (ibid,39).

Overall, the regime's economic reforms objectives are to promote human development and address people's need for improved living standards and thereby enriching the essence of living by Nigerians. For the people-oriented posturing of the reforms agenda, the World Bank not only expressed confidence in the emerging programmes for economic development but also commits a sum of $1 billion to support the ideals of NEEDS[19].

Evaluating the reforms performance: How far the economic reforms agenda has been able to achieve its goals, can be subjected to evaluative assessment. On a positive note, according to the official statistics released by the Federal Executive Council, there has been improvement in the GDP. The targeted GDP for 2004 by NEEDS was 5%, but the estimated final rate of 5.5% was realized. Two, the fiscal deficit/GDP ratio to cash basis was targeted to be 3%. The final figure came to be 2.1%. Three, for the foreign exchange market, the naira to dollar nominal exchange rate was targeted to be #137, but the outcome for 2004 came to be #132.86 as against #142 in 2003[20]. Four, there was improvement in the external reserve stock. External reserves rose above the target of $7.86 billion for 2004 to $16.9 billion and by the end of January 2005, the figure had risen to $18.45 billion (ibid). Five is the impact on poverty reduction government claims that through NEEDS that it reduced poverty levels to 57% in 2004, an improvement over the 66.5% targeted for the year (ibid).

Contrary to official claims, the economic reforms have neither improved the human worth of Nigerians nor contribute meaningfully to the real sector development. First is the real sector. The targeted improvement in the capacity utilization of industries has not been achieved. Capacity utilization remains as low as 35%, implying that the targeted 7% growth per annum and 70% utilization have not been met. Further implication of this short fall is the goal of generating employment by the industrial sector through increase in capacity utilization. The industrial sector has failed to provide jobs. According to the International Labour Organization (ILO) and the World Bank, unemployment and under-employment in Nigeria are at still at a high level (Ayantokun,[21]). There has been no decline in the 2003 statistics of 36 million jobless youths (The Monitor[22]). Instead, 80% of the 66 million working population is the informal sector in 2004 as against 35-37% of the work force in 1999. For instance, unemployed high level professionals such as medical doctors, teachers, architects, lawyers and engineers have taken to menial jobs such as commercial motor cycling locally called Okada[23]. The problem is therefore that qualified people either do not have jobs at all or do not have suitable jobs.

To compound the unemployment problematic, industries and official corporations continue to retrench their workers due to declining productivity. For instance, the textile industry which has its capacity utilization dropped to 30% (The Comet,[24]), in 2005 alone, sacked more than 80,000 workers (Sunday Punch,[25]). In addition, as part of its public service reforms programme, the federal government plans to lay 60,000 civil servants. The deteriorating unemployment situation is therefore contrary to the promise of government to create 7 million jobs by NEEDS (Nnabuike,[26]).

The bane of improved real sector performance remains poor infrastructural base. Decaying infrastructure such as poor transport system including bad roads, erratic power supply and unstable downstream energy sector. The inefficiency of NEPA due to its epileptic supply of electricity, apart from rising over lead costs to industries, is costing the real sector more than $1 billion yearly loss arising from low utilization of resources or total collapse of many industries (Okwe and Akhaine,[27]). In essence, NEEDS goal of turning around the nation's economy through job provision by the real sector has failed. It is the verdict of the Manufacturers Association of Nigeria (NAN) that the Nigerian government is anti-industry for its failure to provide the essential infrastructure (Emewu,[8]).

On poverty alleviation, the economic programmes have not impacted positively on the masses. According to ILO and World Bank, two third (86%) of the population live below poverty line or on less than $1 per day compared to 46% in 1985. Varied dimensions of poverty in the country are fatalistic. Under the present economic situation, the two global agencies have also released that child mortality is 187 per 1000, while two-fifth of children under five years are under-nourished while 36% are under-fed[21]. They also revealed that less than 50% of the population has access to safe water and health facilities. It was also revealed that adult illiteracy is on the increase. Two-fifth of Nigerians over 15 years old are illiterates (ibid). old are illiterates. Deteriorating literacy index is undermined by poverty as many parents could not afford to send their children to school.

Poverty reduction measures through strategies such as employment creation by the National Directorate of Employment (NDE) and Economic Empowerment through the National Poverty Eradication Programme (NAPEP), which makes credit facilities available to jobless youths to purchase tricycles for commercial purposes. But interestingly all the tricycle have been withdrawn from the beneficiaries and kept off the road (Field Survey,[28]). Implying that the beneficiaries have been thrown back to the unemployment market. The poverty eradication programmes have failed like their predecessors such as the Better Life Programme and Family Support Programme.

Besides joblessness and under-employment, the poverty level in the country is being aggravated by pension liability. Pension benefits to retirees to the tune of #1 trillion (about $7.5 billion) are being owed by the public service sector (Johnson,[29]). This situation imposes serious socio-economic hardship on pensioners and their families. In fact, pensioners, including ex-service men are noted to have waited for as long as five years before getting their retirement benefits, while many had even died before collecting them (Field Survey,[28]).

Compounding the masses hardship through swollen unemployment arising from shutting down of industries and the accompanied retrenchment and pension liability is continued rise in inflation. According to the Federal Office of Statistics, as at November, 2004, the inflation rate is as high 18.2% (The Comet,[30]). This signifies that the naira has lost its value and purchasing power and thereby imposing a high cost of living on the people.

The aggregate performance of the economy shows that one, the economy still falls short of expectations of NEEDS as it could only account for 0.22% of the global GDP thereby ranking Nigeria as 187th in the World. Two, is that majority of Nigerians are still jobless and live in intolerable poverty. Three, the global Human Development Index (HDI) for 2005 still puts Nigeria in a pathetic 158th position out of 177 countries contrary to its 148th and 151st position in 2002 and 2004, respectively (Amokeodo and Akintunde[30], Yusuf,[32]). The new HDI status implies that Nigerians are getting poorer and has been projected by ILO and World Bank that under the present economic situation, one-third of Nigerians would not live up to forty years[21]. All these alarming statistics merely indicate that the economic reforms are not achieving the desired ends.

Public opinion on the reform's performance and implications for democratic consolidation: The poor performance of the economic reforms agenda as manifested by the rising poverty level of the people has vital implications for the consolidation and sustainability of the nations' emerging democracy. The implications are assessed in a field survey, which gauged public opinion on the economic reforms agenda.

MATERIALS AND METHODS

A total of 360 questionnaires were applied in a field survey. The survey made use of the official six geo-political zones in the country namely; North East (NE) North West (NW), Middle Belt (MB), South West (SW), South East (SE) and South-South (SS) with each comprising of six states of the federation. The Federal Capital Territory, Abuja is zoned with MB. The study used probabilistic sampling methods involving both simple random and multi-stage sampling techniques to pick three states and sixty respondents from each clustered zone. A total of 360 (N = 360) questionnaires were applied on equal gender basis (i.e., 180 per sex) to reflect the near gender equality of the national population. Of the N=360, only 299 (83%) (Table 1) were returned with the sex ratio of 163 males and 136 females.

Issues specific: Questions asked cut across varied issues on the economic reforms and implications for the emerging democracy. The instrument contained 15 questions (Q) out of which the first three were on the demographic profile of respondents. Of the remaining twelve questions, seven asked specific questions while five sought reasons for certain responses by the respondents.

Q4 enquired about the knowledge of respondents on the regime's economic reforms. Two hundred and fifty-eight(258) (86.3%) of respondents claimed knowledge of it, while 41(13.7%) responded negatively as having no knowledge. The majority who knew of the reform programmes shows that the populace is conscious of government activities and policies.

Q5 asked respondents to assess the NEEDS reforms. Of the 299 respondents, 99 (33%) rated the reforms as beneficial to Nigerians, 176 (59%) believed it was not beneficial while 24 (8%) could not assess the reforms as they responded that they did not know whether it was beneficial or not. From the responses of the majority 176 respondents who responded negatively to the reforms value show that the NEEDS economic transformation agenda is not popular among the populace and they did not see it as having the capacity to alleviate the masses poverty.

Nevertheless, Q6 sought to know the justifications for the respondents view on the rating. The 33% group which assessed the reforms positively as beneficial justified its position by claming that government had tried to reduce corruption in all sectors and had privatized public enterprises such as NEPA and telecommunication in order to achieve efficiency. The other group of 59% of respondents that despised the reforms claimed that government had been unable to create jobs and there were constant increases of prices of energy products thereby causing rising inflation. This group also claimed that many industries remained closed or taken over by churches. It also condemned government for rising cases of armed robbery and insecurity.

Q7 interrogated whether the Obasanjo regime is meeting the electorate's envisaged hopes and aspirations of a better life under a democratic system. Sixty nine (23%) of the 299 respondents responded affirmatively that the regime met people's hopes and aspirations, while 221 (74%) responded 'No' to the question, implying that the regime had failed in the above regards. Nine (3%) of the respondents were undecided in responding to the question.

Q8 asked respondents to compare living standards under military regimes with the Obasanjo administration. Of the 299 respondents, 206 (67%) believed that life was better under previous regimes before the Obasanjo presidency. However, 84 (28%) respondents thought otherwise. Nine (3%) respondents did not respond to the issue.

Q9 asked for the respondents' reasons for their opinions. The life was better under military group adduced that during previous military regimes, there were no incessant hike of prices of petroleum products. They espoused that the serious hardships being experienced under the Obasanjo administration arose from the resultant increase in prices of goods and services as a result of increase in the prices of energy products. On the other hand, respondents who opined that life was better under the present democratic regime than the military gave the following reasons to support their claims. One, that the Obasanjo regime increased salaries of workers at take-off in 1999, thereby improving the lots of public servants. Two, it had tried to curb corruption and improve on infrastructural services. Three, that the regime had allowed freedom of protests against of its economic policies, which had not been possible under military regimes.

Q10 sought whether respondents preferred military regime to democratic administration because of current economic hardships. Seventy-eight (26%) of the 299 respondents responded 'Yes' to the question, while 221

Table 1: Response rate per zone (N = 60)

Zones	NE	NW	MB	SW	SS		Total
No Returned	43	47	54	60	56	39	299
% Returned of N=60 per zone	72	78	90	100	93	65	% of N = 360 = 83

Source: Author's compilation from National field survey, 2005

(74%) answered 'No'. Despite the aversion the majority of the respondents had for the Obasanjo civilian regime's economic reforms because of the attendant sufferings by the people, most Nigerians did not wish the military comes back to govern.

The majority who preferred democracy to military rule believed in the system (Q11) because, democracy empowers the electorate to vote out an unpopular regime in the next election. It also grants some freedoms to the people including allowing criticisms by the opposition and protests against unpopular economic policies, which were not possible under non-democratic regimes.

Respondents who preferred the military to democratic rule believed that Nigeria is running conditional democracy as imposed by Western financial institutions. They believed that the IMF imposed the economic reforms on the nation's nascent democracy. They also opined that president Obasanjo was insensitive to the masses suffering just to please IMF. They believed that the Obasanjo regime was more corrupt than previous regimes despite its anti-corruption posturing. They, therefore, opined that public office-holders were more flamboyant and wasteful under Obasanjo presidency than previous regimes.

Q12 queries the sustainability of the economic reforms programmes beyond the Obasanjo presidency. On the affirmative side, 27 (9%) of the 299 respondents claimed that the reforms could be sustained beyond the present administration, while 272 (91%) responded negatively to the question. On the reasons for their views (Q13), the minority class which believed the reforms could be sustained opined that if the Peoples Democratic Party (PDP) continues as the ruling party and if anyone of those in government now becomes the president that the economic reforms would continue to enjoy implementation. The majority (91%) however disagreed and advanced that Nigeria had no history of policy sustenance and the group informed that each succeeding regime had always pursued its own programmes. These respondents believed that president Obasanjo was alone in his regimes anti-corruption policy, implying that corruption still booms among public officials.

Q14 questioned whether the economic reforms should be scrapped. As much as 188(63%) believed the reforms should be scrapped, while 93(31%) thought otherwise and 18(60%) respondents were undecided. Q15, as a follow-up question, sought reasons for the views. The majority group, which supported scrapping of the reforms, believed that the economic reforms were externally imposed by the IMF and hence did not take into consideration the deep economic sufferings of the masses. They also believed that scrapping it would enable the masses enjoy some measures of relief and the much desired dividends of democracy. That the only way to make life comfor for the masses and stop arbitrary increases in the prices of energy products was to abandon the imposed economic reforms agenda.

The group (6%) which opposed scrapping the reforms opined that the long-term effects of the reforms such as job creation, efficient service delivery and economic stability would not make scrapping of the reforms either by the present or succeeding regimes justified.

SUMMARY OF FINDINGS AND CONCLUDING REMARKS

The hardship imposed on the masses by the economic reforms has not made the Obasanjo regime a popular one among the electorate. Much more visible is the suffering experienced by the people by the incessant increases in the prices of petroleum products, which have often triggered run-away inflation and thereby affecting negatively masses' standard of life as confirmed by the HDI ratings for 2004 and 2005, which, respectively placed Nigeria in the 151st and 158th positions out of 177 countries survey. The IMF not only confirmed these observations, but also rated the country's infrastructure and public utilities as the worst in the world.

It is on the basis of these embarrassing statistics that many policy analysts see NEEDS as a failed policy. Besides, it is clearly visible that industries are shutting down by the day because of poor infrastructural support. Worker-lay off arising from industries shut down is compounded by government's retrenchment of its workers due to public service reforms. For instance, the Senate, which is the apex legislative house, has approved that government should lay off 160,000 federal civil servants (Folasade-Koyi,[33]). Depicting that the economic reforms programme is self-contradictory and self-defeating.

In essence, government continues in its lack of capacity to resuscitate industrial-support facilities and also failed to create new industries which can provide employments. Though, government claims that it had provided 3,000,000 jobs in six years (Odunuga,[34]). The question remains where are these jobs? Where are they created? Who are the beneficiaries? Statistical survey indicated that as much as 36 million Nigerian youths are jobless[35]. Hence, the rising cases of armed robbery, organized youth violence under different social and ethnic groupings including street urchins called Area Boys, Bakassi Boys, Egbesu Boys and the numerous militia groups in the nation's oil rich Niger Delta which have been destabilizing the oil multinational companies and oil production in the region. Embarrassingly, in addition, members of the security forces are feeling the hard times like the civil society. For instance, the Police Force, an essential service sector, which ordinarily by law should not embark on industrial strike, has served government notice of an indefinite service withdrawal nation-wide if arrears of salary and fringe allowances owed its members are not settled by government (Okurounmu, 2006:1).A situation that has escalated the nation's internal insecurity and police corruption on the roads. If the threat is carried out, it would be the second time within three years that such would take place for the same reasons.

From the field survey, it has become clear that most Nigerians had lost confidence in the Obasanjo presidency because of its failure to make life enjoyable for them because of the sufferings experienced from the economic reforms agenda. The regime had failed to sufficiently meet the hopes, aspirations and expectations of a better life under a democratic government envisaged at inauguration in 1999. It is believed that president Obasanjo's economic policies are anti-people and not masses-friendly. The incessant hikes of petroleum products' prices despite public and labour protests on each occasion merely show that the president has no human feelings and he is insensitive and not responsive to the masses sufferings.

In essence, the outcomes of the reforms have contradicted its objectives and the yearnings of the masses for democratic rule. Agreed that as a new regime with mirage socio-economic challenges, wide-range reforms would ordinarily be expected. However, periodic policy change is desirable, but such change must be slow in implementation. This must be particularly so in an economically vulnerable polity where poverty among the people is on a very high side. In a similar manner, economic reform is supposed to combat poverty and social exclusion and foster social protection and wear a caring character, which the present reforms had failed to achieve.

The ill-effects of the reforms on the masses indeed pose some dangers to the future of the fledging democracy. One, the truth of the matter is that the reforms are consolidating the pauperization of the people rather than democracy. As it is, the middle class that the regime resuscitated is gradually being wiped off again. Many members of the class who managed to purchase second hand cars in the wake of the 1999 salary increase have started grounding the vehicles or selling them off due to high cost of maintenance and devalued salary arising from high inflation. The continued hardship experienced by as much as 90% of the population could trigger societal insurrection, which could attendantly result to political instability by attracting military intervention as the case of the Shagari democratic administration toppled by the military in 1983 on similar grounds. A depraved and hungry people would find it difficult to defend an anti-people democracy.

Two and emanating from the above, is a nostalgia for military rule by the people who are already beckoning for military intervention (Olatunji,[36]). This is because they tend to believe that things were better under military regimes. This could be an encouragement for the nation's restive military to stage a come back unto the waiting embrace of the people who are already disillusioned.

Two, is the issue of electoral corruption. The poor masses are vulnerable to easy manipulations during elections. The poor welfare conditions of the electorate make it easy for politicians to commercialize the voters' electoral power by exchanging their votes with pecuniary rewards. Poverty, therefore, poses a major stumbling block to free and fair elections and democratic consolidation in Nigeria.

The first substantive step in consolidating democracy and moving beyond the transitional phase of emplacing democratic structures is concentrating genuinely on poverty alleviation programmes. This can actually be realized by revamping and re-stimulating the real sector of the economy by actively resuscitating the collapsed industrial sector. The decayed industrial infrastructures such as electricity supply must be made to function at a sustainable and guaranteed level. It is when the industries are actively productive that they can create job opportunities for the public. The nation therefore needs a regime of power sector reforms which must include allowing foreign private investors' participation in energy supply. NEPA's monopoly must be broken as done to the telecommunication sector.

In addition to resuscitating collapsed industries, government should facilitate the establishment of new ones for the purpose of generating more jobs. This can be achieved by diverting the $12 billion intended to pay the Paris Club on a debt relief arrangement (The Comet,[37]) to funding new industries. The payment of this huge lump sum to the Club is regarded as callous and inconsiderate to the plight of poor Nigerians and it manifests the insensitivity of the Club and the regime to the Nigerian situation. The teaming jobless Nigerian youths would benefit from the new industries.

Government must also checkmate the high inflationary trends in the country, which is largely due to incessant increase in the prices of energy products. There cannot be sustainable economic development in an environment of endemic high inflation.

A sustainable micro-credit regime for the poor masses and jobless youths would go a long way in poverty reduction. To achieve this, a special micro-credit bank should be established for this purpose. To isolate bank from the partisan control of the ruling party and politicians, it should be gassetted and put under the direct management of the Central Bank of Nigeria (CBN). Funding of the credit bank should be directly from the Consolidated Federated Account. The need for a micro-credit scheme is justified in the sense that the majority of youths that are jobless have learned different trades such as barbing, hair-dressing, tailoring, vulcanizing, painting, carpentry, bricklaying, dyeing and others but could not afford to establish and purchase the essential tools due to lack of financial capability. Availing this category of artisans with take-off credit facilities would resuscitate the small scale enterprises sector and reduce the idleness among the youths and thereby checkmate their restlessness which prompted the formation of violent youth gangs across the country.

The agricultural sector also deserves immediate attention in the quest for economic development. Nigeria is an agrarian nation which utilizes about 70% of the national human resources. However, most farmers have abandoned the farms due to lack of encouragement by government arising from over-reliance on oil-exports. The farmers lack essential modern tools and chemicals to enhance their production. The roads to the farms are very poor thereby leading to inability to transport farm produce to urban markets. The abandonment of the farms is leading to shortage of food stuffs, while the few available food items are beyond the reach of the poor masses because of inflation triggered by constant increase in prices of petroleum products.

The agricultural sector needs production catalysts in forms of micro-credit to farmers, construction of accessible roads to the rural areas and subsidies on fertilizer, seedlings and pesticides and chemicals to encourage more people into farming and enhance production of both food and cash crops.

Workers‘salaries have been devalued by inflation, prompting declining standard of living and poor morale at work. Workers need to be motivated for higher productivity and efficiency by granting the entire workforce improved salary and awarding them palliatives to cushion the effects of high inflationary trends driven by constant hikes in the prices of petroleum products.

Lastly is the issue of corruption. Nigeria is rated as the third most corrupt nation in the world. Corruption has reached a pandemic phase in the country. A sizeable portion of the $300 billion realized from oil over the years has been lost to corrupt leadership (Sunday,[38]). Most of the collapsed essential infrastructural facilities in the country are so because votes appropriated for their maintenance were embezzled by civil and political office-holders. A major area of challenge to the nascent democracy is, therefore, how to effectively abate corruption in the system. The regime’s anti-corruption policy is ineffective and lacks popular support and leadership commitment. The operations of the anti-corruption agencies ICPC and EFCC, lack focus and are vindictive. The two agencies are being used to witch-hunt the regime’s opponents and those opposed to president Obasanjo’s unconstitutional third term ambition and perpetuation in office beyond 2007. Official corruption must be objectively and effectively managed in order to conserve public funds for the prosecution of anti-poverty programmes of government and the provision and maintenance of social amenities.

In conclusion, the nascent democracy is too young for the desired bitter economic disciplining by the IMF. Democratic structures such as political parties and parliaments might have been installed but democratic tenets are yet to be internalized. The best way to achieve this is to make the people happy by practising good governance, which has as its peak goal, the promotion of the welfare and hardship reduction, for the masses. It is when the people are happy with their government that they can actively defend the emerging democracy. In essence, therefore, no democracy can survive in an environment of mass poverty and socio-economic deprivation.

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